

DEPARTMENT OF EDUCATION
OFFICE OF POSTSECONDARY EDUCATION
AFFORDABILITY AND STUDENT LOANS COMMITTEE
NEGOTIATED RULEMAKING SESSION 3, DAY 2, AFTERNOON
December 7, 2021

On the 7th day of December, 2021, the following meeting was held virtually, from 1:00 p.m. to 4:00 p.m., before Jamie Young, Shorthand Reporter in the state of New Jersey.

P R O C E E D I N G S

MR. ROBERTS: Welcome back, everyone, I hope you enjoyed your lunch break, just as a reminder, my name is Brady Roberts and I'm facilitating on behalf of FMCS this afternoon. So I want to jump right into where we left off the AM session and just briefly recap where we are. So we took and heard a lot of red lines and proposals the first two weeks and the result of those solicitations is what you have in front of you today. Issue paper number 10 on IDR. Consistent with the process as we set it out, I'd like to now move us to do a consensus check and see everyone's thumbs if we are in fact in consensus, great. And if not, I'm going to ask folks to come off of mute and add any new proposals that would move them to from a thumbs down to a sideways thumb. But before that, I see Joe your hand go ahead.

MR. SANDERS: Yeah, thanks, Brady. Just a process question, if we concensus check now, does that commit us to moving on from IDR?

MR. ROBERTS: So, consistent as to how we've handled the first, I think, four at this point, consensus checks, we would we would then move on to what's next on the agenda, which is PSLF the first issue of PSLF and then time permitting we would we would circle back to IDR at the end of the week.

MR. SANDERS: So I'm going to go ahead and say, I don't I don't think we should move on from IDR. So if a consensus check means moving on, I don't think we should do that. I think there are large outstanding issues here and I. You know, there is a red line that some of us have been working on. A big group of people discussed it and I think it would be productive personally to put it up and walk through it. And, you know, I think that that's like consistent with a good faith process here. So that's what I would propose. I don't think we should move on from this topic yet. It's a very important topic. It ties into PSLF, and I think we should address it further.

MR. ROBERTS: Jennifer, I saw your hand, do you want, do you want to quickly respond on behalf of the Department? Otherwise, I'll just go down the hands that I see.

MS. HONG: Sure, Brady, I was actually going to respond to the idea about moving on. And just to clarify that just because we take the consensus check doesn't mean that we we wouldn't be revisiting this issue. But if this if this is the red line that was submitted earlier, we did, we did take it into consideration. But I mean, I'm certainly amenable to walking through it if you prefer to do that. But to

date, all the proposals that we received on IDR, some of which was, you know, brought up again at this session. We did, we did take it under consideration. So everything that we've received thus far we've taken, we've thought about it. We've tried to consider it, we've gone back and forth with it, and this is where we landed. That being said, I'm certainly open to, you know, if you want to go line by line, language by language we can, we can we can do that.

MR. ROBERTS: Right. So I guess, Joe, I have a question for you. Will this be language that much of the committee will be seeing for the first time?

MR. SANDERS: So we had a, we had a caucus in between sessions with a big group, and we met again last Monday, when the Department's language came out, it got dropped into a Word doc. It does not have any of my proposals in it, so I haven't sent it to the Department. I don't know if somebody else did. Personally, I think would be productive to do some line by line, we haven't done any. I think it's been done in negotiated rulemaking in the past and I'm just afraid if we move on, it's not going to we're not going to get back to it because there's so much on the table here. And I think this is an important topic.

MR. ROBERTS: Michaela, go ahead.

MS. MARTIN: Yeah, and I want to first clarify Joe, you're talking about are you talking about line by line of what the Department has proposed. Correct? Or are you talking about line by line of a different proposal?

MR. ROBERTS: Well, I'm talking about the and if people don't want to do it. I'm just trying to get us to where we're working through some of this. So I'm talking about the document Marjorie created on Monday after we got the new language. That said, if we want to-

MS. MARTIN: No, I just wanted to clarify that I wasn't missing anything (interposing). So my I also want to reiterate the concern that if we take consensus right now that we won't get back to this right unless we're having some kind of commitment saying that this would be the first topic we'd come back to. But with so many topics potentially not reaching consensus, there's no way that we would know that this would be able to come back. And what that would look like. In this effect, like, yeah, I understand it's tied to PSLF, but arguably like PSLF is for a smaller portion of IDR participants, right? IDR is a huge program and then a couple of specifics, one, I know this is super low on the agenda, like on the priority list, but like, could we

please rename it? Calling it EICR is so problematic. We already have IDR. We have ICR, IBR like they all blur together. And so when we want to incentivize participation into something, calling it like such an obscure name, it's like really difficult, right? So if we could, I have like a whole list, mostly from Reddit. Also, I think I submitted one. I really like calling it the BEAR Plan. I also like Student Loan Affordability Plan, which is SLAP, but, you know, it's questionable. And then also like, you know, on substantive like again, lowering forgiveness time, or if we want to focus low balance borrowers finding some way to have either like folks who have had zero or a certain payment for a certain amount of time. But I also propose like a sign on bonus, right, that if the question and with the contingency, if there isn't the authority to do like partial forgivenesses as like Persis's plan had, if we could just do ten thousand of forgiveness under IDR, IEICR, whatever we're going to call it, please, can we rename it though?

MR. ROBERTS: Jen, I see your hand.

MS. HONG: So, yes, we're still taking suggestions on on the name as far as I know, so feel free to send those forward Michaela. I I may have spoke too soon. I didn't realize that this is this is a

proposal that we haven't seen and that that might be. I mean, we may have some reservations about doing it because I just don't know how fruitful that would be. I would need to take this back to others, so I wouldn't be able to respond very fruitfully to a proposal that we haven't seen yet.

MR. ROBERTS: Right, and I think that might be where some of the value in taking a consensus check would be is that it would give all negotiators on the committee time to consider new proposals and then again, with the expectation that we have time at the end of the week to come back. But Marjorie go ahead.

DR. DORIME-WILLIAMS: So I was just going to ask if we could just go ahead and do the line by line read through, and I think for those of us that have worked on the proposal, we could simply refer to it when making suggestions or asking clarifying questions. I think we've made very clear sort of our big picture issues, and it might be easier to point specific points in the regulatory language to then either offer suggestion or get very specific clarity as to what's been provided by the Department so far.

MR. ROBERTS: I got you. Bethany, go ahead.

MS. LILLY: I was just going to

explain or suggest exactly what Marjorie had to say, because I think doing it that way will also give the Department a very clear sense of where I think all the negotiators have consensus and think the Department should revisit the proposal. And so I would hope that it would also be helpful for the Department.

MR. ROBERTS: Gotcha. So Jennifer, I'm open to hear your thoughts on this. And just to clarify, Marjorie, this would be the line by line that Joe and some other negotiators have been working on. Or is this-

DR. DORIME-WILLIAMS: No, what the Department provided.

MR. ROBERTS: I see, Okay.

MS. HONG: I apologize, can you repeat that one more time. The proposal on the table is to go through the language. The proposed language for IDR?

DR. DORIME-WILLIAMS: From what the Department provided, I think. So we sort of talked about it broadly, right, we went through it (inaudible), so I think now there are several of us who feel that it might just be helpful to actually go through the language and just have the conversation based specifically on the written language in what the Department initially shared.

MS. HONG: Sure.

MR. ROBERTS: (Inaudible).

MS. MACK: Brady, you sound like a robot at the moment, so Michaela, let me go ahead and call on you.

MS. MARTIN: Underwater robot. I was just going to say that I think it was really important that we did that big picture because we wanted to see if this was a negotiation. So I know that like, I feel bad Jennifer because you went to go line by line and we were like, no, and now we're like, yes. But I do think it was important that we did have that time to kind of like air our thirty thousand foot view issues and then now we can go into a deep dive. So I just want to like fully support what Marjorie with us, but also like give you the support and I recognize that that's what you started with. But I think both were really important.

MS. HONG: Yeah, I mean, I understand that I'm happy to accommodate. It's it's a lot of ideas, and I know that we've kind of got back and forth and we've talked a lot about it. A lot of issues. I'm happy, you know, I'm happy to go through the text again, if that's helpful for people.

MS. MACK: Okay, so is the thought that we should pull up the documents as it was proposed by the Department, walk through that in terms of

language and see what suggestions, thoughts and ideas folks might have as we walk through the reg text? I think that's what I'm hearing, if that's the case, Vanessa, could I ask that you share the document up on the screen? And if we can scroll to the top and it looks like we are near there now. Perfect, thank you. Let me open it up to the group as we walk through this section by section. Who would like to help us begin? Michaela.

MS. MARTIN: Can we please change the name now, because that's the first thing that comes up? I'm sorry, it was the appropriate time, it's line by line. It says that Expanded Income Contingent Repayment. I have I worked really hard on acronyms, and I'm sorry to keep showing you all my notebook, but like I had a whole list of words that we could use. So far, I think the ones that are most appropriate is probably BEAR or SLAP. I kind of really likes SLAP, but I know that some people might find that to be a negative connotation. But you know, like it slaps like it's like a be a positive slang. But like, how would we go about that? Like proposing a name? Could it be BEAR? Borrower's Earnings Adjusted Repayment.

MS. HONG: Well, we just add a comment bubble on the name and then any (inaudible) throw some suggestions in there.

MR. ROBERTS: And before I ask for name suggestions, am I still a robot?

MS. MACK: You're good, Brady. Go ahead.

MR. ROBERTS: Alright, great. So I heard BEAR and SLAP. I would also encourage folks to utilize the chat box if they have any other suggestions. And then Michaela, did you did you want to note anything else or is it okay to move on to Persis?

MS. MARTIN: It's okay to move on, I just wanted I was just hoping that we could get that name change.

MR. ROBERTS: Yeah. Persis, go ahead.

MS. YU: So I put it, I put this in the chat, but I'm still going for ABC Affordable Budget Conscious repayment. That's actually not why I raised my hand. I have thoughts on all the things. So this is, I guess, maybe this is a little bit below here. As we're talking about family size, I think that's kind of the next thing on the screen. And then just to note that in our previous conversations, it seemed like there was actually pretty general consensus among all the nonfederal negotiators that we wanted, the for married borrowers who file separately, we wanted it to file the ICR, IBR, and PAYE plans and not the REPAYE model. And

so that's a place where I feel like the negotiators were pretty clear on our preference. The Department asked us for our preference. We stated our preference. And that's not reflected. And so my suggestion is that under family size paragraph 2 be included to add ICR or ABC or BEAR or whatever, and that it be struck from from the third one.

MR. ROBERTS: Vanessa, are you able to capture that in a comment bubble?

Vanessa: I'm sorry, I missed that, could you repeat that?

MS. YU: Sure, so we're looking at under let's see, this is the definition of family size and number two, striking "and" and adding ICR and for paragraph three striking ICR, which would effectively treat married borrowers the same under the ICR, IBR, and PAYE as you earn plan, where borrowers who are married but file separately would not need to be not need to include their spouses income.

MS. MACK: Persis, just what Joe just shared in the chat capture that so that we could put that in a comment?

MS. YU: That's correct.

MS. MACK: Perfect. Just thought that might help, Vanessa, if we could just post that in a

comment.

Vanessa: Yeah, that helps. Thank you.

MR. ROBERTS: And Michaela, go ahead.

MS. MARTIN: I think that the confusion was and just for folks who might be watching that there's a lot of highlighted parts that come before this, but those highlighted parts are actually parts from what I can tell that are under other plans. Is that correct? And that we can't change them, but there is proposed changes in those. So the first change that we see to the new plan is under family size. Is that correct?

MS. HONG: Yes, that's correct, and thanks Michaela. So if you guys just so you refresh our memory, we when we came out with language in session two, it was all new language because this is a proposed rewrite of all the IDR plans currently there. Pardon me?

MS. MARTIN: The whole thing is new? I thought that only I thought that these sections existed, and we're just adding, and that's why we weren't allowed to touch the other plans.

MS. HONG: The con, so the concepts so okay, so there's two things, there's the technical revisions to the all the IDR plans. So right as they are right now, it's very redundant. Like they each have

their own section. REPAYE has its own section, you know, it's redundant and it's confusing. So we said, let's put it all under one section, but the only thing that we're making substantive changes to is this new proposed plan. So this is so in in caring for the substantive changes of the of this proposed EICR plan, we're also making technical revisions to this whole section in the regulation, but we're not changing substantively any of the other IDR plans. Does that make sense? So right now, it's a new section 209 rewrite, and we're putting all the IDR plans together, one two three four five and then certain certain definitions apply to certain plans, whereas currently we have, like ICR has its own regulatory section. I'm sorry, I don't have that. We could probably pull it up if we really wanted to. So this is when we came in session two all this was new and then the highlighted portions are only those things that have changed from two to three. But all of this text, all the proposed reg text is new, reg text to reorder that whole IDR section. Does that make sense? And then highlighted issues (inaudible) are or only for two and three. And then in making some of those revisions, some of them, some of these revisions don't pertain to the new plan. They're just technical revisions that we notice even from two to three to the existing plan.

MS. MARTIN: Yeah, I mean, like, I'm not a fan that like the I get that they're just technical changes, but if the largest substantive change here is just to the cost of payment monthly payments, right, like there's some other ones. So I guess making a whole new plan still sometimes doesn't really fully make sense in my brain when we could have just made those changes to an existing one. But I do understand I just wanted to point that out for anyone watching like, well, why aren't they talking about all this other thing that that that that would be the reason why we're not. And then back to the line items I do agree with with Persis on the changing it. Changing family size, I mean, back to where we were. Sorry.

MR. ROBERTS: Alright, anything else on family size, committee members?

MS. LILLY: Can Vanessa indicate Daniel and Michelle's or sorry, I'm failing at speaking words today, Michaela's support for the proposal? Thank you.

MR. ROBERTS: Alright, that's helpful too in that as we're doing this in the chat, if you just want to officially note your endorsement and suggestions. Well, Vanessa and I see Joe's as well, Vanessa, you are already on this piece, if you want to

begin moving down the document. Daniel.

MR. BARKOWITZ: Thanks. So I'm not sure if anyone has anything before this. But I have a question about the partial financial hardship definition, which is the bottom of page two, which is right below where you are Vanessa on the screen, you were almost there. No. Go back. Sorry, you were at new borrower right there. So this applies to IBR and PAYE only. Is there any reason that EICR would be excluded or included in terms of these definitions or what what what's the I'm sorry for this. What's the impact of partial financial hardship on further definitions?

MS. HONG: Alright, so we didn't you know we didn't include this as an eligibility criteria for the proposed EICR plan. So this is just carrying out, well, wordsmith carrying over and then further wordsmithing because it is applicable to IBR and K.

MR. BARKOWITZ: Okay, thank you. So the next thing I would look to is poverty guidelines. So there was a comment made earlier and I added a resource about poverty guidelines, and I and I would suggest the Department include or consider a this is on the next page top of next page, Vanessa. So if you go to page number three, top of the next page, here we go. I would like to add that under poverty guidelines, there be a

consideration of the cost of living allowance and namely a cost of living allowance, as referenced by the Department of Defense in consideration of Military Housing Allowance are factors that are used as part of that adjustment. So if we can look at metros, this will, I think, address a concern that that Michaela and others have addressed about cost of living in high cost areas. So again, you know, it would seem to be a resource published by another part of the federal government that could be used without great a great deal of difficulty.

MR. ROBERTS: And Vanessa, feel free to come off of mute if you need any guidance from Daniel and how you'd like that captured, like that captured.

Vanessa: Is there anything you want me to add to that comment bubble Daniel or is that fine? The cost of living-

MR. BARKOWITZ: I'll put the resource again in the chats.

Vanessa: Okay.

MR. ROBERTS: Great, thanks. And Vanessa, whenever you're ready, feel free to bring down the document.

MS. LILLY: I just want to add, I think, to continue consistently with the discussion of I'm not sure this is something I would defer to the

Department on, but under partial financial hardship, like if we are mirroring the EICR plan to PAYE and IBR rather than REPAYE, I don't know if you need a change to sub two on the next, just down on the next page, Vanessa, sorry. I don't know if you want to add a reference there, but that's just like that is one of the things we were walking through here with the marriage piece of this trying to make sure that it was all consistent.

MR. ROBERTS: And then Daniel, I still see your hand up, is that just a holdover if you want to contribute to what Bethany just said?

MR. BARKOWITZ: Sorry.

MR. SANDERS: Maybe we could just put a note on that paragraph that says, like, conform to family sized paragraphs two and three question mark.

MR. ROBERTS: And Persis, I see your hand.

MS. YU: Yeah, I just want to clarify, though, that it is not our intention to create a partial financial hardship to requirement for this plan. Correct? So we wanted to clarify for the purposes of family size, but not clear, but not impose a partial financial hardship, right?

MS. HONG: I think we're good with how

it is. I don't know that we need to-.

MS. LILLY: I withdraw. We can delete this comment. I just wanted to make sure every time I see marriage, in those words together, I get a little twitchy. But if Persis is comfortable with, we can delete it here. Sorry, Vanessa.

MS. HONG: I think the important thing is that we're getting your ideas captured.

MR. BARKOWITZ: And if I can, I have now, Vanessa, the reference, so the reference is paste pasted into the chat for the poverty guidelines. It is a base of eight percent for anyone in one of these metro areas. And then on top of that, an additional percentage based on the particular housing metros that are highlighted. I give this as an example. This is only one example of cost of living allowances. But again, the idea here being that this is specifically one that is provided by by the federal government in virtue of military adjustments for military housing allowances.

MR. ROBERTS: Thank you, Daniel. And then, Vanessa, thank you for capturing that, I think we are okay to move down the document a little bit more.

MR. BARKOWITZ: I'm going to jump in Brady and raise my hand again just because I feel like I can add add, I can at least be the first one to say

this. I won't be the last one to say this. I think you're going to hear near-universal regard that we cannot limit this to undergrad loans only. So if you go to (d) (2). I think again. Not that I can speak for all of our all of my peer negotiators, but I think all of us are really struggling with this limitation. I would really encourage the Department not just to think of graduate loans, but also Plus borrowers both Grad Plus and Parent Plus. And I imagine that we'll see a flurry of plus ones. Or at least I would encourage my negotiators to add a flurry of plus ones so that we're clear that we all sort of sit in this space. I think this is going to be a major block to, thank you the flurry is coming, a major block to consensus on the entire plan at this point.

MR. ROBERTS: Thank you, Daniel.
Persis, I see your hand.

MS. YU: Yes, just giving a verbal plus one and a suggestion for the actual reg text to just strike the second paragraph under (d) and renumber the third paragraph number two, I think that there's just no reason to I think that the ICR is as inclusive as we can be in terms of the IDR plans, and I think we should mirror that.

MR. ROBERTS: Gotcha. And Vanessa, I

appreciate you capturing that. Persis just so we're capturing that as a distinct idea is how it's currently in the document. In terms in terms of the suggestion, right?

MS. YU: So remove two, yeah, so I would remove two and add EICR or whatever the term is to paragraph three.

MR. BARKOWITZ: Can I just raise one question, though, Persis paragraph three requires direct plus loans to be consolidated if they're made to parents. So and actually consolidated, I believe, along with student debt. So that would exclude Parent Plus borrowers who solely have Parent Plus loans from consideration. Is that an intention on your behalf or is that an oversight?

MS. YU: It is not an oversight. It is I I 100 percent agree that I want to include Parent Plus borrowers to the fullest extent possible under the law. I recognize that the ICR that the ICR statute and the IBR statutes both do explicitly exclude Parent Plus borrowers without the consolidation. So I believe that consolidation is the way is the path forward for Parent Plus borrowers. And so that is not an oversight, but I do agree that it is one hundred percent unfortunate.

MR. BARKOWITZ: Thanks. I just wanted

to get that on record. Thank you.

MR. ROBERTS: Great, thank you for that exchange, is there anything else as it relates to loans eligible to be repaid under this new plan, whose name is TBD under this section or can we move down? I'm not seeing any hands, Vanessa, whenever you are ready. Feel free to scroll down the document. Joe, go ahead.

MR. SANDERS: Sorry, I was just going to point out that there was, Persis, I think, or someone had proposed adding EICR to paragraph three under D, loans eligible to be repaid,

MR. ROBERTS: I think I thought that was captured, but Vanessa, would you mind just pulling it up?

MR. SANDERS: Okay, I got it. Got it. Okay, thanks.

MR. ROBERTS: Alright, not seeing any, oh never mind, Persis go ahead.

MS. YU: Sorry, I think so this is in this place just to conform with the marriage proposal under (e)(I) sorry (e) (1) (i) would be to add EICR to that to that section. And remove it from further down in little three, which I'm losing track of the formatting here, but basically, we want to conform this to the to ensure that married borrowers are able to file

separately and exclude their spouse.

MR. ROBERTS: Thank you, Vanessa, for capturing and thank you for the folks in the comment box this morning. And then Persis, it looks like that captures everything that you were mentioning in your comments, but I was going to make sure before we move on.

MS. YU: I believe that is correct.

MR. ROBERTS: Great.

MS. YU: A little hard to see with the way that the screen is formatted, but yes, that seems to.

MR. ROBERTS: And, Vanessa, whenever you're finished with that comment, feel free to move down the document again. It doesn't look like there's any additional proposals here, so I think we can move to page five. Bethany, go ahead.

MS. LILLY: So on page five, if you scroll down to the large chunk of yellow highlighted at the bottom of the page, Vanessa. Yes. So as I think I explained earlier, I really think that the two hundred percent of the applicable federal poverty line should be raised to three hundred. And I think Daniel made a proposal to raise it to 250 and to change the other one to four hundred. I would be okay with both of those

changes, but I'd prefer to start this at three hundred. And then under (3) (i), Vanessa, where it says three hundred percent, if you could change that to four hundred percent. Thank you.

MR. ROBERTS: Gotcha. I'm seeing some plus ones in the comments, so Daniel, I see your hand next.

MR. BARKOWITZ: Yeah, I I'm in favor of that as well, Bethany. My only reason in using the 225, 400 was to conform to the Pell Grant structures under the new SEI, SAI Student Aid Index, and the ability to for the Department to use that as sort of a resting point in terms of why it's chosen those numbers. However, I would support the three hundred and four hundred too if possible. I'm open to either, but I think I think where we are is not acceptable to two hundred to three hundred.

MR. ROBERTS: Alright, Vanessa, if you just wouldn't mind as a comment to the first. Exactly. Conform to.

MR. BARKOWITZ: Pell Grant SEI, Pell Grant SAI calculation.

MR. ROBERTS: Thank you, and Persis.

MS. YU: I just wanted to put in for the transcript, that I submitted last night some

research by a colleague of mine that showed that in several a couple of specific places in the country that the self-sufficiency standard was clearly at at least 300. And so this provides evidence to support the use of raising it to to three hundred percent of federal poverty. And so I think that because we've provided evidence, I don't think there's good evidence for 200. I think there's great evidence for 300. Thank you.

MR. ROBERTS: Thank you, Vanessa, I do see some of the plus ones in the chat and there's enough that, yeah just want to mention several great. Alright, if the committee is ready, I think we can move to page six. And I welcome any comments on issues in page six. Daniel, go ahead. Thank you, so I would draw your attention to number four toward the bottom of the page. Vanessa. The almost there we go, so I would replace the the phrase "when a borrower has a zero payment" with "when a borrower has a payment that does not cover the interest assessed". And then so it does not that does not cover the interest assessed. And then I would assess sorry to double Ss interest assessed. And then I would change on the next line, sorry, next line, go back up the very next line where it says "with an amount equal to the amount of accrued interest accrued interest" to "accrued but unpaid". So we just need the addition of

the word "but" or the words "but unpaid". So "accrued interest" becomes "accrued, but unpaid".

MR. ROBERTS: I see Bethany and Persis in the chat box indicating support. While that's being noted, anyone else have anything on page six? I'll just note, for the record, there are a lot of plus ones on this issue.

MR. ROBERTS: Yeah, Vanessa, if you wouldn't mind noting that, great. I believe we are ready for page seven. And I would welcome any negotiator raise their hand on any topics covered on page seven of the (inaudible). Persis.

MS. YU: So I would like to cover the time to forgiveness being the big one. One, I've mentioned this before, but I really want to push hard on the idea that we can get cancelation faster for lower income borrowers. I don't have I don't actually have red line text handy, but but I wanted to share and I will email out momentarily the idea of having a multiplier where you can give borrowers credit for each payment can count as more qualifying payments based upon their income, and this could be counted annually mapped out a multiplier that would allow you to do that so that the lowest income borrowers, folks who basically are whose AGI as a function of the federal poverty level is, you

know, at 150 or below would get have a multiplier of four. So each payment would count as four for that year and that if it persists for you know five years that they would have cancelation after five years. I will send around the math on how that what that would look like and happy to also work on some language. But I think that is a way that we can achieve the Department's stated goal of getting low income borrowers cancelation faster. So if we can kind of conceptually put the idea of a a multiplier for credit towards months counting months of forgiveness in order to provide cancelation faster for lower income borrowers.

MR. ROBERTS: Alright, so Vanessa under under Section (k) forgiveness. You just want to add a comment there. Adding a multiplier. What was it, Persis? Adding a multiplier to calculate months of forgiveness?

MS. YU: Right, so that a multiplier to count where each month where each monthly payment would count as multiple qualifying payments towards forgiveness, and that multiplier would be based upon the borrower's AGI relative to the federal poverty level for that annual calculation.

MR. ROBERTS: Would you mind just for Vanessa's benefit post popping that in the chat very

briefly?

MS. YU: Yes.

MR. ROBERTS: Thank you. And I'm seeing some support of that in the chat. And then we'll come back to that while while that's just getting typed up Marjorie, do you want to do you want to add to that?

DR. DORIME-WILLIAMS: I do. So this suggestion is just that there's consistency between the plans for forgiveness. I know the Department doesn't feel they could go lower than 20. And so just in that last line, I would say that it shouldn't be dependent on what your degrees are from. That it should just be 20 years if that's what the Department is proposing to do. So instead of 25 at the bottom of section one, 20.

MR. ROBERTS: Got it, and-

MS. HONG: I I just want to-

MR. ROBERTS: Sorry, go ahead, Jennifer.

MS. HONG: Sorry. Remember that that's that's only talk. That's the existing point. That's ICR. So we're only making changes to the areas that you see EICR flagged.

DR. DORIME-WILLIAMS: Okay.

MS. HONG: Yeah, I'm sorry to confuse you, Marjorie. Remember, I said that this is again the

rewrite where we're consolidating all the IDR plans into one section of the regulation, so that part is only applicable to ICR and REPAYE.

MR. ROBERTS: So yeah, Vanessa, we could remove that comment then. And then I'm seeing Persis just with the proposed change to forgiveness in chat. If you just want to copy that right in with the mention of the several negotiators in support, and then once we handle that, Michaela, I'll ask you to, to comment.

MS. MARTIN: Yeah, further down where it is, like the do we have-.

MR. ROBERTS: I just want to make sure Vanessa has a chance to capture this.

MS. MARTIN: It's oh, I see, I see. Yeah.

MS. MARTIN: Yeah, yeah. I'm going to start calling it the BEAR plan, that the BEAR plan, ten years to forgiveness, I think, is reasonable, I feel like that's. Or has some form of forgiveness after a certain amount of, a certain amount of zero dollar payments, right? I know that there's this big fear that lingers in the back of people's minds that like, oh, if we say, well, forgive if they don't pay, then they'll just not work a job. But like I like, can pretty

conclusively say that while there are some outliers that might do that, like most people are not just choosing to live in poverty. People are like, oh, you know what? I'm going to do? I'm going to live in a really crappy apartment for the next five years so that maybe I can get eight grand waived off my student loans, you know, like, that's just not that's just not how people are going to operate. So I think that 10 years is reasonable if we can't do it a different way to get it lower for folks.

MR. ROBERTS: Thanks. Daniel.

MR. BARKOWITZ: I just I want to read into the record again what I typed in the chat and said earlier, which is I find it morally morally questionable, morally hazardous to use Joe's term that we're requiring our low income, limited income borrowers a longer period of time to forgiveness than we allow for our Public Service Loan Forgiveness candidates who are employed and earning presumably a livable wage. I just I really struggle with the logic around a 20-year timeframe where we have a 10-year standard that is existent for Public Service Loan Forgiveness.

MR. ROBERTS: Thank you, Daniel. Is there is there any proposals people would like to make sure are entered into the record on page seven? Or are

we okay to move to page eight? Michaela, yeah.

MS. MARTIN: Sorry, I didn't catch. I'm not sure if Daniel also said this, but not it's not just PSLF, like the main plan, right? Like the main default plan is a 10-year standard, like it's a 10-year standard. PSLF was like, oh, I guess this doesn't work for poor people, huh? Well, we'll give it to good poor people. Right. We'll give it to people, poor people who are worthy of 10 years. But really, that 10-year standard should should apply to everyone.

MR. ROBERTS: Alright, not seeing additional suggestions for our page seven. Vanessa, I think we are okay to move to page eight. Daniel, I see your hand. Yeah.

MR. BARKOWITZ: Yeah, sorry, this is just my technical amendment, so Vanessa if we move from (G) to (I), so I'm not sure I think we need to renumber there. I'm not sure if there was an omission or what happened there. And the other question is again. Oh, sorry, Bethany, I'm jumping. Is it okay if I? Okay, so the other question is, can can we discuss retroactivity for periods of deferment, forbearance that are being added? So I would strongly address or strongly suggest we address retroactivity by allowing and maybe the guiding language is actually on page seven, but I guess

this is a question of Jennifer. Is the intention, because the way it's written, I don't read this as necessarily prohibiting retroactivity. Was that the intention or what actually on the bottom of page seven for the inclusion of the satisfaction of a monthly payment? Is that from the date of enactment forward or going backwards as well?

MS. HONG: Remember, so this is a newly proposed plan, so these everything applicable under these regs would become effective you know, whenever we implement them.

MR. BARKOWITZ: Right, but the language on page seven says for all IDR plans, a borrower satisfies a monthly payment or the equivalent by, and then it gives a series of options, including a series of affirmative forbearances. So we have existing borrowers under existing plans. So for those borrowers under existing plans, are you looking backwards that their periods of forbearance and deferment? I don't see anything here that would prohibit you from looking backwards, in fact. I don't see any exceptions looking backwards. It's just reframes it. I'm just trying to make sure I understand the Department's intention.

MS. HONG: So these would apply prospectively once the regulations become effective.

MR. BARKOWITZ: And is is that that doesn't seem to be regulatory. That's just an interpretation. Because again, what we've said is this is now how you satisfy a monthly payment, not how you satisfy a monthly payment from this point forward. This is how a monthly payment is satisfied.

MS. HONG: Right, but these won't. Applicable, applicable when these are effectuated, right? So you're I understand what you're saying, so would they, I mean, that's not unless we make that explicit. Yeah.

MR. BARKOWITZ: And I would I would vote for making it explicit, I think it's important to allow. And this is my question, right? I think it's important then to say this will be a retroactive benefit for borrowers who were under these deferments or forbearances. Again, I just remind us much of the public comment and addressing this particular issue that people were misadvised, people were mischaracterized. And if we can't allow retroactivity, I understand the Hold Harmless position allows a way to resolve it. But that way to resolve it requires payment. So this would allow for for folks to also be held (inaudible).

MS. HONG: So. I I don't know that, well, we wouldn't be able to do that under that

assumption, but I think that the the concern that you have will be addressed through our Hold Harmless procedures as proposed. Because they are retroactively going back and looking at those periods of deferment or forbearance where the borrower was placed and counting those as payments. Does that address your concern?

MR. BARKOWITZ: Yeah, except it will for ones that are things like post active duty or unemployment or rehab, where I'm struggling is is the sort of generalized administrative forbearance. They're in a sense, how are you, how is the borrower supposed to document the calculation of what was required under an Income Based Repayment Plan? It just adds so many hurdles to try to establish that unless we're assuming a zero dollar value. And I just I'm struggling with how how you would even document that maybe I don't know, Persis, do you have something to add on this issue or is yours something else?

MS. YU: Yeah, I mean, I think I think I might be just confused. And so maybe if I articulate my confusion, it will see if it jogs your, settles, your confusion. But the way that I the way that I'm reading this is that so there is a enumerated deferments and forbearances and those even if that even if a borrower, let's say, five years ago had a, you know economic,

unemployment deferment, right? That borrower is not going to have to go through the Hold Harmless period that that that five years ago, that deferment will count currently when this is implemented, whenever that whatever that date may be and they reach the other criteria that would get them to whatever months of qualifying payments and so that the Hold Harmless period is only for the deferments and forbearances that are not enumerated in this list. Is that correct?

MS. HONG: Yes, that's correct.

MS. YU: Okay, that that's helpful to me. I will also add that I would like to add a a big L under little 4 little that we also retroactively count any periods of forbearance that began before November 1, 2022. I share the concern that's been enumerated a number of times that going looking backwards at forbearance times and the amount that borrowers would have paid is just going to be frankly impossible. I heard the Department's concern about moral hazard and that if we were to do this, that people would then just place their loans in forbearances for the entire period. I'm not (inaudible) that concern, but I think certainly going, you know, if we choose a date to look retroactively and I chose November 1, 2022 because presumably that's the date in which the Department will

publish final regs, a borrower is not going to gain-

MS. HONG: 2023.

MS. YU: Well, you would publish the final regs on November 1, 2022 in order to be implemented in 2023. If I understand the the (inaudible).

MS. HONG: I'm sorry, I'm getting my years mixed up, you're correct.

MS. YU: So presumably somebody-

MS. HONG: Effective by July 1, 2023.

MS. YU: Right. And so presumably someone would not try to gain the system based upon regs that do not yet exist, was my was my thinking in choosing that as the date and so I think that the Hold Harmless period, at least if it's only going forward, you know, we're not talking about decades potentially of forbearances, but we may be talking more prospectively one at a time seems more reasonable to me. So that's I would add that I would I have I have other comments as well, but I think other folks might just have comments on the forbearances period.

MR. ROBERTS: I'm sorry, go ahead, Daniel.

MR. BARKOWITZ: What I'll say is that, thank you, Persis, for that clarity. That addresses my

concern about the retroactivity, so I don't need any further piece if that carries.

MS. HONG: So just to be sure that proposals to go retroactive indefinitely so apply it to all borrowers regardless of when their loans were taken out.

MS. YU: That's correct, I would apply it, yes, any forbearance period that was taken out before the public, basically before the publications of these final regs. And that would address the steering issues that that Joe has mentioned a number of times.

MR. ROBERTS: Anything additional on this page, or are we okay to move to. Persis.

MS. YU: Okay, I have more. So under paragraph five of the income, for an IBR plan and the defaulted borrowers. I would like to include language to make sure that payments which the borrower made while they were-

MR. ROBERTS: Wait, Persis, if you wouldn't mind, just interrupt, could you could you briefly guide Vanessa where you're directing your comments?

MS. YU: Okay, so it's the bottom of the so it's the paragraph right below the Hold Harmless. So, sorry maybe, maybe I'm, there's two paragraphs on

Hold Harmless, so go.

MR. ROBERTS: Are you on page eight right now?

MS. YU: Yes.

MR. ROBERTS: Okay, is it okay if I just, is there anything else on page seven from anybody?

MS. YU: Oh, sorry, your pages just are numbered different than mine. That's why. Okay, go ahead.

MR. ROBERTS: I think. I think you're okay. I think we're good to go to page eight and and feel free to direct Vanessa now.

MS. YU: Okay, so it's paragraph five for for the IBR plan, is that. I would just like to add language that would make sure that these that payments that borrowers make while in default also count. And, you know, if they are in an amount that would be would be as much or if not more than their IBR payment would be. And so that's either voluntary or involuntary. And I'm happy to, well, I'm trying to. So I'm trying to copy and paste language into the chat right now unsuccessfully.

MR. ROBERTS: And we'll wait for that, and I do see some some plus ones for that. So while we're waiting for that, anything else that anyone would

like to add for page number eight? Oh, there it is.
Bethany.

MS. LILLY: So I think Joe mentioned that he had some thoughts on the Hold Harmless provisions here, and I'd be very open to hearing them because I don't have a concrete suggestion, but I do think that specifically subsection sorry, Vanessa. I think that is. I have heard from several disability work community folks that this will be very hard to work through, that it is going to be very complicated for legal services folks to help them process these applications that this is just going to be very burdensome on beneficiaries. Sorry. Excuse me. You used to calling folks beneficiaries, not borrowers, but borrowers. And so I think we need to think if there is a way to simplify this and I'm sorry, I don't have concrete language. This is not something that I particularly specialize in, but I wanted to express the concern there.

MR. ROBERTS: And before Joe, Persis, before we go to you, I just want to make sure that, Vanessa, you're caught up, sorry, are you, are you good to entertain additional suggestions?

Vanessa: Bethany was yours just simplify paragraph six? Is that what I heard?

MS. LILLY: If you would add a comment to paragraph six, yes, and it is, simplify the procedures for benefits for borrowers.

MR. BARKOWITZ: Persis, can I comment on paragraph six, if that's alright, do you mind? Okay, thank you. So I think if we are able to add the language that Persis added above as big letter L, then paragraph six becomes prospective rather than retrospective. And I think that's really important, right? So. So under paragraph L, the letter L, if we're if we're allowing any period prior to November 1, 2022 that was deferment forbearance to count then the Hold Harmless position becomes a move forward, and it gives students the opp, borrowers the opportunity to hold themselves harmless moving forward, which I think Bethany might address some of the maybe of Joe's concern and others because going backwards and trying to make repayment of periods that were years and years ago is going to be awfully difficult to administer. So just to just to add that and thank you Persis for letting me step in.

MS. YU: Of course, Daniel. I also wanted to add one other thing to paragraph six. A and and also, you know, again, I think the administrability is is a real concern on the Hold Harmless. But if we are going to have a Hold Harmless, I would like to also, I

think there's no good reason to only use forbearances. We have a lot of borrowers who also get steered into other payment plans that don't count towards cancelation, such as a graduated repayment plan. The extended plan. They get into the consolidated standard plan, thinking that it's the regular plan. And so I think if we're going to have a Hold Harmless and the borrowers are going to have to prove that the payments were equivalent to the IDR payment or make it up, we should extend that to to any of the plans. So I'm just going to. I would suggest putting after the second line, after the words section comma in the second line of para of six, this language to just include all the other plans as well.

MR. ROBERTS: And then I'm seeing the language for that in chat as well, Vanessa, if you just want to copy it from there. And then, Joe, go ahead.

MR. SANDERS: Yeah, just very briefly, since Bethany mentioned it. I do have concerns about the administrability of the Hold Harmless section. In an effort at good faith negotiation, I think if the Department is willing to consider some kind of retroactive consideration of forbearances, whether the one that I sent to the Department or the one that we've heard here today, I think that goes a long way towards

assuaging my concerns, in part because borrowers who were steered into forbearance should not be made to jump through another administrative hoop. And I just don't think that's going to happen. I don't think people are going to be able to do that, particularly for those, as Daniel pointed out, those long past forbearances. I hear the Department's concerns on moral hazard, and so I would be okay with Hold Harmless going forward. I do think that the Department's earlier representations that they intend to police servicer conduct much more aggressively through FSA are very important here. I understand the Department's position that that those can't necessarily be addressed in the regulations, but would urge, again, whether my plan, whether what was put forward here today, whether what Daniel has talked about some kind of retroactive consideration of forbearances, guardrails, further guardrails can be put around those to indicate where we're getting at the borrowers that the Department wants to address. So that's you know, I don't have any more concrete ideas on administrability, it sounds like the Department wants to address that through FSA and you know, I think that the Department should be given a chance to to do that on a going forward basis.

MR. ROBERTS: Thanks, Joe. Michaela.

MS. MARTIN: I don't know if I just missed something, but where did the term moral hazard come from? And what does that mean? Like what is this?

MR. SANDERS: I'm the one that used it. You know, the Department has expressed concerns in the past that people will just go into forbearance and then get their loans forgiven if all forbearance is open to consideration, so, trying to address that, that concern, I don't necessarily share it, but for the reasons that you stated Michaela, But, that's, when I'm using it, that's that's what I'm referring to.

MS. MARTIN: So you are saying is the idea that someone, forbearance is generally limited to people who are, like to be in a forbearance, you have to prove some type of like hardship or like reason you're in forbearance, right?

MR. SANDERS: No, you can just go into a forbearance. And that's the problem. It's quick for servicers to just say yes, you can't make your payment? Okay, boom, you're in forbearance.

MS. MARTIN: Even when you make more money, you can call and be like, forbear me and they'll be like, cool, you don't have to pay?

MR. SANDERS: I believe that's the case, yes, and that's because that's so easy to

administer, servicers in the past would just, you know, we've alleged in lawsuits that they just as a policy said, you know, you've got to keep your calls quick. Somebody calls in the quickest thing you can do is shove them into a forbearance. And this is the problem. That's what forbearance steering fundamentally is.

MS. MARTIN: I thought forbearance steering was particularly among lower income folks and I see now Brian is off mute so maybe you can clarify like but that it had to do with because you qualified for financial hardship, you could go into forbearance. And so it's easier for low income folks to go into that versus income driven and that there had to be something there to qualify you for a forbearance. (Inaudible)

MR. SIEGEL: Forbearance is available if a borrower calls and says they're having trouble making payments, so it can be for any reason. That's the the discretionary forbearance it's supposed to be for up to a year. There are other reasons in which forbearance is required. For example, while you're while a borrower is submitting documentation for some other benefit under the program they're required to put, the servicer puts the borrower in forbearance during that time. But general forbearance, yes, a borrower can get it just by saying, I'm having trouble making a payment or I can't

make a payment this month. So the concern from the Department, yeah, so the concern from the Department is that because of that, there is a possibility and we have seen it in the past that borrowers simply, you know, I don't know the extent, but we have seen it in the past. Borrowers have simply gone into repayment forbearance at their own choice for long periods of time. You know, Joe has and the AGs have shown, that there are certainly circumstances in which servicers have encouraged that or pushed people into it, but in some cases the borrower themselves chooses it.

MS. MARTIN: But that's also so when you're saying a long time, do you mean a year like that's like it could be a long time or do I mean like ten years? Like how long are you considering, like a long time?

MR. SIEGEL: A borrower can go voluntarily, go into forbearance for get it approved for up to a year, then they have to come back and say, I still can't make payments or, you know, I run into another problem the servicer is supposed to require more at that point, but not all servicers have in the past.

MS. MARTIN: Is there any way to know how many people have done that for a prolonged period of time?

MR. SIEGEL: I don't know about our you know how our I don't know about the statistics on that.

MS. MARTIN: Okay, I just I just think with any system, there's always going to be somebody that gets around it right. You can make all the regulations in the world. Somebody is going to mess with it, like there will always be someone to hustle the system. That's just how the universe works, right? I just I really dislike to term moral hazard because I think it's a moral hazard to make policies that assume that poor people are bad people. And I'm just really frustrated that we consider that like, oh, we have to make this policy based off of the moral hazard that someone could lie for 10 years and be in forbearance. Like, Yeah, that's a possibility, but like. And maybe, you know, then maybe I'll concede that maybe we don't include all of the forbearances, right, but I don't see why we wouldn't expand expand some of this because it just we just can't make policies just assuming that people are bad people, because I just don't think that's the case. And I know some folks might find that highly optimistic, and that's fine. But I think there are ways in which we could create policy that finds balance.

MR. ROBERTS: Persis.

MS. YU: Yeah, I mean, I'm I'm I think I put a 10 million plus ones for Michaela there that the evidence that we have the client that we've seen that the attorneys in my community have seen is that borrowers who are who have who would qualify for a zero dollar payment if someone had taken the time to properly advise them get steered into forbearance. So I have seen borrowers in forbearance for 20 years when they would have qualified for a zero dollar payment that entire time. I think there is plenty of evidence, Joe and and the other attorneys general have lawsuits with plenty of evidence to show that it is not borrowers intentionally taking forbearances. And so I mean, I think frankly, the moral to Michaela's point, the moral hazard is on the Department not providing relief to people who have been harmed because they want to avoid one or two people gaming the system. And so I think that there is not credible evidence to say that there is has been widespread use of forbearances to avoid making payments. But there is credible, widespread evidence that servicers have utilized forbearance in order to shorten their call times, improve their bottom lines, and it has resulted in borrowers missing out on payments towards Income Driven Repayment. And so I think we really do need to focus on making sure that we get those reliefs.

I think doing it retroactively avoids any future problems so long as the Department actually follows through on on its, you know, holding servicers accountable, which it doesn't have a great history of doing. But you know, we can at least in good faith, you know, believe that the Department is taking steps to do so. But I don't believe that the evidence really suggests that borrowers are trying to game the system. But we do know that the Department has has failed to take steps to stop servicers from engaging in this behavior.

MR. ROBERTS: I think, Michaela see your hand, but I do want to just really encourage committee members to to try to direct comments towards these new proposals. So with that Michaela, please go ahead.

MS. MARTIN: Yes, super quick, and I promise not to (inaudible) trying to make a joke again, but like, I mean, this issue with forbearance is is so bad that again, there's been comedy segments on it. Hasan Minhaj has like, if you guys haven't watched it, it's on Netflix has a whole thing on forbearance steering on Navient and it's not, It wasn't just Navient, right, that these are this is a loan servicer issue. And so if we're not fixing that systematically, which we

can't do with this, then we have to look at at least providing relief from the symptoms and consequences of a broken system.

MR. ROBERTS: Bethany.

MS. LILLY: I just want to clarify, I'm mostly certain that Michaela's concerns and Persis's concerns are addressed by the Big L provisions that we added, Joe and Persis are nodding. I just want to explicitly say that is what everybody is worked up about and what we would like to see the Department consider adding just to be very explicit about that.

MR. ROBERTS: Sure, thank you. Is there anything else on page eight that you'd like the Department to consider on the topic of IDR? If not, I think we can move to page nine. Daniel, yeah, please.

MR. BARKOWITZ: So I just have a process question which might inform my comment. The 12, the 12-month period that's referred to in number five. So is that a rolling 12-month period, regardless of when the borrower applies so that if I apply in January, I have till next December and next January. If I apply in May, I have until next May. How does that? How does that process actually work? Does anyone on the call have an understanding of that?

MS. HONG: I'm sorry, Daniel. Where

are you looking? Oh, number five.

MR. BARKOWITZ: Number five. So 12 month period, the reason I ask Jennifer is if I apply in January. Presumably you're using the income from the year before because it won't have been calculated at that point what my my new income is. So I'm just trying to get an understanding of and maybe this is too much the weeds and I've been accused of being too much in the weeds before it, but trying to get a better understanding of what the timeframe is for when you know and what period income is being considered for this establishment of an income based repayment.

MS. YU: I'm happy to try to say how how that works in practice now if that's helpful. I mean, so right now it is. It's an anniversary. Yeah, I think you're right. Like right now, if a borrower applies for an Income Driven Repayment Plan in May, they utilize their most recent tax return that they have available. And then they have to reapply again the following May. Same thing, or October. It'd be October. They create this anniversary date, so that's how it's it's working in practice. And so it does create this, this situation where sometimes there's a significant lag between. But borrowers do. Also, I don't think we've really talked much about the alternative documentation

process, but they can if their income is significantly different, utilize pay stubs or something else.

MR. BARKOWITZ: And is there is there? I mean, again, I understand the concept of income based the 12-month period, but I wonder about and I'll have a comment when we get to page 10 about what happens if a borrower doesn't apply for recert. But I'm curious about 12 months. I can't imagine there's huge income variability year by year. And what's been the Department's experience? And maybe this is too late to ask this question given that we're in week three. But what's the what's been the Department's experience in terms of variability for those who provide annual certification? And could we in fact do a 24-month period as opposed to a 12-month period? I understand, again, this may be too late now, but it just, you know, 12 months every 12 months becomes a real hard lever to pull. And the the stakes are so high that if you miss that 12-month certification, you know, it's very difficult for a borrower at that point.

MR. ROBERTS: I'm not seeing an immediate response, Vanessa, would you mind just capturing that question and then I believe Daniel the 24-month proposal in a comment. Under number five, exactly. Oh, Brian, I see your hand go. Go ahead.

MR. SIEGEL: Yeah, I was just checking the statute, the statute and the ICR program does talk about the Department establishing an annual repayment obligation of the borrower. So we've consistently interpreted that as requiring year by year. I understand your point about whether that's the most efficient way, but that we've been pretty consistent on that and I'm not sure I see a basis for changing it at this point.

MR. ROBERTS: Thanks, Brian, so, Vanessa, I guess if you wouldn't mind removing that comment and then Bethany, go ahead.

MS. LILLY: So I just want to echo Daniel on that point, because this is like all of the automation things we have discussed before. The reason to get rid of this or to think about changing it would be to simplify the process for borrowers. And we have talked extensively ad nauseum during these negotiations about how hard these programs are for people to navigate. And I cannot begin to tell you how difficult they are for me to navigate, let alone people who have other limitations. And so if there is any way to simplify or reduce the paperwork burden that we're placing on people, I think it's something that the Department should be thinking about. As in every single aspect of not just these, these these particular

proposals that we're discussing right now, but all of the proposals. Sorry, I know that I say this every time this comes up, but just to reiterate it yet again.

MR. ROBERTS: Any final modifications the committee would like to capture on this and the remaining page, page 10? I know, Daniel you mentioned, you have something additional to add, but I just want to make sure. Page nine, any final proposals for consideration? Okay, we can go to page 10 and then Daniel, if you still have that, we can do that.

MR. BARKOWITZ: I do so for little three (iii) given and it may need to be called out as a separate piece because right now EICR is is placed with REPAYE. But I would like to see a six-month grace period. So if someone does not certify that they're allowed six months under the existing payment plan before they're moved into a recalculation. So during that six months, they have a chance to catch up if the certification was impossible. I get and appreciate to Bethany's point and thank you for making it that the FUTURE Act and FAFSA Simplification should make this process much easier for borrowers because you should be able to pull the information directly from the IRS. But again, if possible, until that time, for someone who's not qualified, the ability for them to have a six month

grace under the existing payment plan previously an existing payment amount previously calculated before they're moved into their new payment.

MR. ROBERTS: Thank you, Daniel, are there are there any final proposals that we'd like to make sure are captured in the comment section? Michaela.

MS. MARTIN: Alright, I just want to like check my understanding on this one, so what it's stating here. Right. It's about how long they're staying there, so if they have signed the waiver saying you can look into the IRS data and you all get the whole FUTURE Act thing handled, then that person will just be like auto stay on that plan so long as their tax returns say that they can? That is correct? No?

MR. ROBERTS: Any immediate response from anyone who can clarify?

MS. MARTIN: Okay, and then so then this part that Daniel is talking about is saying that if they haven't given that permission right, then they have to do it twelve months and proposed twenty four months, and he's saying that he would like a grace period where if they don't do the paperwork within the twenty four months, then they'd have an additional six months before they're moved, so it would be a total of 30 months?

MR. BARKOWITZ: No, my point is if we

can't change to twenty four because that's statutory, the 12 month period, there's a very it's if you miss it by a day or a week, you're highly penalized. I'd like to give borrowers a period of time to be able to catch up. And that would that would be encompassed by giving them six months to to catch up or get submitted if they're if they're responsible for submitting paperwork.

MS. MARTIN: Okay. And while the regs don't, I know this is a subregulatory question, but like there are then going to be the processes of how that notification is going, right? Like aren't there usually built in kind of grace periods? At least there is. I've got to stop comparing everything to like state like benefits. But like for housing, there is right. Like when you're late, like you have a little bit of time, then you have to do more paperwork and it's like a whole thing. But like there would be subregulatory provisions surrounding that kind of grace period too, right, or is it like without the six months, it's like a hard stop 12 months. It's a hard stop?

MR. BARKOWITZ: I believe so, right?

MS. YU: It will it will recalculate after I think it's a 10 day window at which right now we have a 10-day grace period, after which the payments will reset to the 10-year standard amount or under

REPAYE, a very complicated-

MS. JEFFRIES: There's 30 seconds left on Michaela's time.

MS. YU: I don't want to take your time, Michaela.

MS. MARTIN: No, that was all that I had. I appreciate you taking the time, Persis. But that all sounds really kind of gross. So it's all I got.

MR. ROBERTS: Thanks, Michaela. Persis, go ahead.

MS. YU: So, I don't want to cut off the conversation about the recertification process if other folks have more, but I did. If we have, if we're able to go back, I I wanted to make sure that we caught one particular point on page six with the interest.

MR. SANDERS: If it's okay with you, is it okay if we if we can go back to page six, I just want to make sure just for the purposes of note taking. Does anyone have anything else on recert or if it's okay with you, Persis anything on page 10, just so that can sort of, we can do it in just two scrolls, but then I'll definitely sure capture that. Anything else on recertification or page 10? Alright, so, Vanessa, if you wouldn't mind, was it page six, Persis you said?

MS. YU: I believe it's on page six,

the treatment of the interest subsidy. And so I wanted to just verify I know Daniel had made several suggestions beforehand. And yeah, so we scroll down just a little bit that bottom of that page during the periods, you know? So Daniel has suggested that it's not just zero dollar payments, which I completely agree with. And so the other piece that I want to make sure we capture that it's not just subsidized loans, that it is all loans in which interest is accruing. So that's just a technical piece that it occurred to me that I think we didn't discuss as we were on this page before.

MR. ROBERTS: Great, I'm seeing a few plus ones in the chat. Okay. So thank you, everyone for that. We have walked through the document and I appreciate all the suggested revisions. I think we want to give the Department some time to to thoroughly consider this. So what we would suggest is possibly returning to this tomorrow morning. So there is response time, but we're not putting it off to the end of the week. And then I think probably taking a 10-minute break and then picking back up with issue number four, which would be PSLF, but before we do that, Michaela.

MS. MARTIN: I have another question. You all should be lucky you're not in my class for school because the questions are incessant. But in

regards to a statutory question for I had heard that there had to be like, I can't remember the exact frame, but like conforming FFEL language, not within this, but like if we didn't have a program that was similar to that, then like we couldn't do it, is that maybe that's not like a now question, but I'm wondering if that's true. Like if it is the case that the Department would have to have something for FFEL too outside of this, or if we can't go above and beyond what is in FFEL.

MS. HONG: I'll let Brian answer that.

MR. SIEGEL: Yeah, generally the terms, conditions, and benefits under FFEL and Direct Loan are the same, except where Congress has specifically provided something different in Direct Loans than in FFEL. So Income Contingent Repayment, which is the basis for this new program, is only in Direct Loans. So we don't have to make changes in FFEL program regulations for this.

MS. MARTIN: Well, so there's not a direct statutory issue regarding FFEL by not including them.

MR. SIEGEL: That's right.

MS. MARTIN: Thank you. I just wanted to confirm that.

MR. SIEGEL: Okay.

MR. ROBERTS: Okay. Thank you again. Let's get back, let's say, about 12 minutes, because again, my clock says 2:28 right now. So let's get back at 2:40 and pick up with the Department outlining issue paper number four, the PSLF application process. Alright, welcome back, everyone, I hope you enjoyed that short break. We are about 45 minutes from our public comment session for today, so I'm going to ask anyone who has received confirmation to speak today to please log in a little bit early just so we can make sure everything works and we can get you in for three minutes of public comment. And thank you again to the committee for the discussion on IDR, which we will return to after the Department's had a chance to look at the suggestions. With that Jennifer, I think I can turn it over to you and Vanessa to walk us through issue paper number four on PSLF, which the fourth one would be improving the self application process.

MS. HONG: Okay, thank you, Brady. We can cue the right text for us actually issues four and five Public Service Loan Forgiveness. We, as FCMS has mentioned before, we're going to take consensus check on each issue as we presented it in the issue paper, although you want to consider the regulations in their entirety. So as I walk through, I'll just the way we

split it up. As a reminder, issue four was the PSLF application process, which actually comes in later in the regulations. And I'll point all this out as I go, I'll walk through the entirety of the regulations and issue number five, you'll recall, was a discussion regarding full time employment and employer eligibility. So as we start off here under A, General and B, Definitions, we are actually starting with the full time employment issue number five, just just as clear your head what we do consensus check later on. Issue number five is all inclusive from the beginning through all the definitions to the top of page four, all the way up to qualifying repayment plan. And I'm just flagging that for everybody now and then we'll go back up to page one. So all the definitions. Yeah. Yeah, until right here, so qualifying repayment plan, so everything has to qualify repayment repayment plan when we take the consensus check on issue five. You know, everything from page four up and above will be that issue and then everything process oriented will be qualifying repayment plans and everything thereafter, so we can go back to page one, Vanessa, then we'll just start with the highlighted changes, which are the changes between sessions two and three. A lot of minor technical changes to include this wordsmithing around AmeriCorps or AmeriCorps Service

means Service in a position approved by the Corporation for National Community Service and then the statutory reference. So that's technical in nature. If we go down to employ or employed means an individual to whom an organization issues an IRS form, W2 is number one, that's existing. We had that before in session one, I'm sorry, session two. And then we did some wordsmithing clarifications in session two for paragraph two, which says an employee or employee meets an individual who receives an IRS Form W-2 from an organization that has contracted with a qualifying employer to provide payroll or similar services for the qualifying employer and which provides the form W-2 under that contract, again to capture those contractual employees. Scroll down. You'll notice at the top of page two in the definition of full time from the bottom of page one, top of page two full time means working in qualifying employment in one or more jobs at least 30 hours per week, or at least 30 hours per week throughout a contractual employment period of at least eight months in a 12 month period, such as teachers, in which case the borrower is deemed to have worked full time, or the equivalent of 30 hours per week, as determined by multiplying each credit or contact hour per week by at least 3.35 in nontenure track employment at an institution of higher education.

And we did. We added that clause at an institution of higher education for clarity. And we did accept the conversion factor as proposed by you all the negotiators and clarified that this can apply to non-contact hours as well. The middle of the page, Justin had some questions regarding how we define military service and who that applies to. So we just we wanted to clarify that when we say military service that's already encompassed under federal employment. So this this definition matters for employers that are not part of the armed forces or National Guard. And later on, we add that clarification under federal employees as well. So military service means providing service to or on behalf of members, veterans, or the families or survivors of members, or veterans of the U.S. Armed Forces, or the National Guard that is provided to a person because of the person's status in one of those groups. Hopefully, that satisfies Justin, I believe Emily's concerns from session two. Nontenure track, we want to make sure that we cover all facets of that definition, so we just added so we had adjunct contingent part time faculty, teachers or lecturers who are paid solely for the credit hours they teach at institutions of higher education. Other school based services means a provision of services to schools or students in a school or school like setting

that are not public education services. And just to provide some examples, we've added school health services and school nurse services, social work services in schools, and parent counseling and training. Okay. On top of page three Public Health, we added physicians to that list to include nurses, nurse practitioners, nurses in a clinical setting, those engaged in public service. I'm sorry, health care practitioner occupations, health care support occupations, counselors, social workers and other social workers and other community and social service specialist occupations as those terms are defined by the Bureau of Labor Statistics. So making sure that we capture public health practitioners. Under the definition for public service, we just this this is existing language in the highlight, we just moved it under here to clarify that service as a member of the U.S. Congress is not qualifying public service employment for purposes of this section. That's just existing language that we just moved under here. Public service for individuals with disabilities means services, that was just a technical correction, performed to assist individuals with disabilities. That is provided to a person because of the person's status as an individual with a disability. We changed from 65 to 62. Public service for the elderly, the elderly,

again, same thing regarding the person's status as an individual of that age. Public education, we included the clause, including teaching to the provision of educational enrichment and or support just to make that explicit, and I see a typo. An errant zero in front of student. That's not intentional. Yes. And then here, qualifying, now we're getting into qualifying employer. And this is where by adding the clause, including the U.S. Armed Forces and National Guard, just to make that explicit regarding federal, state, local, tribal government employment. Okay. Top of page four. That's our definition for qualifying employer. So we have one which I just talked about, which is government employment to the nonprofit, and so for three, we went back and forth and what we have is an organization that one, provides a public service as defined in this section attested to by the employer on a form approved by the Secretary. And two, is not a business organized for profit, a labor union, or a partisan political organization. So we talked about this in session two. We went back and forth with this several times internally prior to our initial proposal. We discussed this. We're we have landed here because I and I know Michaela, you talked about this earlier, but in terms of administering this program and drawing lines, I think it gets very. As

we've noted in our discussions in this negotiation, it's very difficult to draw lines in terms of, you know, businesses organized for profit and including them in this in this program and identifying those that are providing a public service. So we landed with the attestation by the employer on a form provided by the Secretary to the exclusion of a business organized for-profit, a labor union, or partisan Political Organization. Heather, I see your hand, did you, do you want to bear bear with me, I think I can get through this whole proposed language and then we'll go to questions because I think that-.

MR. ROBERTS: I was going to suggest, yeah, if you wouldn't mind running through and then Heather, I think you're off camera right now. So you just want to come on camera with the preparation that I'll call on you once once we're through the document.

MS. HONG: Okay, I'll keep going here. Qualifying Repayment Plan, that's just a typical change to the new proposed IDR plan or proposed IDR rewritten section 209. That's all there is on this page, page five. Monthly payments. So this is just clarification, there's nothing really new substantively here, we just added paying at least the full schedule amount due for a monthly payment under the qualifying repayment plan

under one. Under three, we wanted to clarify for a borrower on an IDR plan under the new proposed section because someone on the 10-year standard does not have a recertification date. So just making that explicit. Under four is the 10-year standard repayment plan under 208 B and clarifying the lump sum or monthly payments that are qualifying payments, under Standard Repayment Plan. Moving on to page six. Again, this we can, we are conforming this with our proposed language under the IDR plan, we just went over and this is to include forbearances, the rehab training program, deferment, post active duty student deferment, AmeriCorps, National Guard Duty, DOD, and administrative forbearance or mandatory administrative forbearances. We will count all of those deferments and forbearances enumerated here as monthly payments in alignment with our proposed language on IDR. And just of note, these also include national emergency and also while processing paperwork such as servicing transfers. So all those will count now where they didn't count before. So that is included here. Page seven. Okay. six, Okay. And this is following on from. Again, the same stem about monthly payments be considered to have made monthly payments, you have to six, be employed full time with a qualifying employer as defined in this section at any point during the month

for which the payment is credited, and this was meant to be responsive to the public comment that we heard about tying the date of payment too closely to the date of employment. So we just wanted to ensure that it's at any point during the month for which the payment is credited. Also under three, if a borrower consolidates one or more Direct Loan into a Direct Consolidation Loan, the payments the borrower made on the Direct Loan prior to consolidating, and that met the criteria in subsection C20 romanette one through three will count as qualifying payments on the direct consolidation loan. Okay, so that's that is another, you know, we're we're counting payments prior to consolidation. And. So I just want to I just want to flag that, because that's, I know we talked a lot about it, and so we are counting those as qualifying payments on the Direct Consolidation Loan. Those are payments made prior to consolidating. Okay. You can scroll down to the bottom to bottom of page seven, subsection (e) application process. So after after 120 payments are made for the eligible loan for which loan forgiveness is requested, a borrower can request forgiveness on a form provided by the Secretary. If the Secretary has sufficient information determined by qualifying and length of employment, the Secretary informs the borrower when the borrower is eligible for

forgiveness, that this is that automation piece. The Secretary does not have if the Secretary does not have sufficient information to make a determination about his eligibility for forgiveness the borrower must provide information about the borrower's employment and employer and a formal proof by the Secretary. At the Secretary's, okay. That's two, three and then four, if the borrower is unable to secure a certification of employment from a qualifying employer, those are just clarifying changes, the Secretary may determine the borrower's qualify employment repayments based on other documentation provided by the borrower at the Secretary's request. Five The Secretary Barry request of additional documentation pertains to the borrower's employer employment before providing determination. And then six, the Secretary may substantiate an employer's attestation of information provided on the form in clause romanette two based on a review of information about the employer's that's new as well. So again, that's taking the proactive stance on the side of the Department to be able to substantiate that attestation. And then under (8) regarding if if we find that the borrower does not meet eligibility requirements for loan forgiveness is the resumption of collections. Just clarifying that the Secretary rather does not capitalize any interest

accrued and not paid during this period. Right, and I'm sorry (g) is a part of automation, I said earlier. (g) subsection (g) application required again, this is the automated piece whenever the Secretary has information, for example, about military service, or from DOD, or federal employment. The Secretary will forgive the loan without an application and then we've kept that language open ended for any kind of future data that we're able to obtain going forward. Reconsideration. Okay, so within 90 days, we've gone over this before, just just kind of minor wordsmithing in the highlight clarification, receiving a notice of denial of forgiveness. The borrower may request a Secretary reconsider whether the borrower's employer or any payment qualifies for for for forgiveness. And then nothing changed in what the Secretary considers with regard to reconsideration and any relevant evidence that is obtained by the Secretary just stated more simply and to kind of remove all the language about reasonably obtainable or currently just obtained by the Secretary. Page nine. And this is in conformance with what we have under IDR talked a lot about forbearance steering. This is our proposed solution to that and that is for any period in which a borrower postpone monthly payments under deferment or forbearance and was employed full

time at a qualifying employer as defined in this section. But was it a deferment or forbearance status besides, in subsection C2. Five, the borrower may obtain credit toward forgiveness as defined in paragraph D for any months in which the borrower makes an additional payment equal to or greater than the amount they would have paid at that time on a qualifying repayment plan and be otherwise qualified for a zero dollar payment on an Income Driven Repayment Plan under 34 CFR. And again, that's a proposed language that we just went over on the new IDR plan. So again, this provides a path for borrowers to get credit for past periods of deferment or forbearance, excuse me, by making necessary payments. And it also can include periods of time at zero dollar payment. And then that last section is the reporting piece from the guarantee agency, and just as a reminder on the very last page on page 10, we had inserted before section two language from the language to amend the report to the Secretary regarding the borrower's enrollment and loan status information to include details related to the loans or borrower's deferments, forbearances, repayment plans, delinquency, and contact information. So that is my review of the changes we made between sessions two and three just to review. We landed on clarifying a lot of these definitions for public

service, clarifying the exclusion regarding for-profit organizations, labor unions, partisan political organizations. Again, monthly payments, opening up monthly payments to include periods of deferment and forbearance, those are all included here, including payments that happened prior to consolidation of the loan if one or more of the loans is a Direct Consolidation Loan. Making some tweaks in terms of application process. Putting conforming language regarding Hold Harmless procedures for to address the issue of forbearance steering. That's what I have, and I'll let Heather speak.

MR. ROBERTS: Yeah, Heather, please.

MS. JARVIS: Thank you so much.

Thanks, Jennifer. Thanks, Brady. I'd like to say a couple of things here. I'd like to thank the Department for their hard work on this issue and particularly to acknowledge that you have proposed a formal process to request reconsideration of decisions for Public Service Loan Forgiveness. I think that's significant and of use to borrowers. I think that you have removed some of the unnecessary application requirements in a way that is significant and important. I recognize also that you have expressed that you're limited by the statute and too forgiving Direct Loans. I acknowledge that that's

the case after this limited waiver period. Also acknowledge that it's statutorily preempted that you not be able to forgive loans that are in a default status. I do want to note that in in my view, although the Department has expressed disagreement with this, there is in fact statutory authority to count payments made on default loan defaulted loans. In my view, it is. It is true that you cannot forgive loans that are in a default status. But in my view, again, you could count payments on loans in a default status, certainly at least those that were made voluntarily under a rehabilitation agreement. But I acknowledge that you have declined to agree with my position on that. I appreciate that this proposal includes counting payments on Direct Loans even after consolidation into Direct. I was prepared to recognize that you that you thought that the HEROES Authority was required in order to allow counting on FFEL loans after those FFEL loans are consolidated and Direct. But I now see, based on the earlier conversation about Income Driven Repayment, that perhaps the Department is willing to consider whether you do in fact have authority. And I certainly agree with Persis's analysis in that respect. So to the extent that you'll be counting payments on FFEL loans after consolidation towards income driven forgiveness, I would assert you

should also do so on Public Service Loan Forgiveness. And then just, you know, before I would talk about employment, just want to reiterate that Income Driven Repayment is the is the path to forgiveness under Public Service Loan Forgiveness. And so it's the rules surrounding Income Driven Repayment that are the most important thing in this instance, and they are much of what the administrative problems have been. I would say that the Department has many times said you were interested in simplification. Your current proposal, in fact, makes things more complicated rather than more simple. But I do acknowledge that in order to administer things, sometimes you need some amount of detail in order for it to be precise. I would urge you to specifically acknowledge that payment counting should not be any more strict under PSLF than it is under IDR. And I would want you to clarify specifically that you intend for payments made under the new income contingent plan to count towards PSLF, and that, in my view, is required by the PSLF statute that in fact, for specifically to Income Contingent Repayment. The major issues I think that I'm very disappointed that the Department has has so far declined to adopt are the definitions of employee or employee, the definition of public service and the definition of qualifying

employer, because those in fact narrow the eligible employment under this program from where it was before we considered these regulations. It has always previously been the case that people have to work for nonprofits. They have to be hired and paid directly by the organizations, and that the Department has always looked at the organizations. And so to be clear, even though there is this very, very long and now much better fleshed out definition section of public services, people doing those public services will not qualify for forgiveness under this provision unless they are directly employed by a nonprofit organization. So it seems to me that what the Department has instead done is create a much more complicated way of excluding nonprofit organizations from participation in this program. And I think that there there is a way to draw a line and you've done it already and that only borrowers who complete 10 years of public service will ever qualify for PSLF. They must make 120 payments driven by their income. And so that narrows the class of eligible borrowers very significantly to begin with. And so I would encourage the Department to consider this committee's feedback with regard to the definitions that are outstanding for employee employed public service and qualifying employer.

MR. ROBERTS: Thank you, Heather.

Anyone else?

MS. HONG: Brady, I just want to make a clarifying point regarding the counting the payments, for PSLF, it's it doesn't apply to FFEL loans, so just to be very clear that this this benefit that we're providing under the PSLF waiver is a HEROE's benefit that we're providing. We're waiving we're waiving that statutory requirement. So if you have underlying FFEL FFEL loans and you've made payments on them, they will only count under the temporary waiver. This that provision that I just reviewed, it has to be an outstanding Direct Loans, Direct Consolidation Loans, at least one of those loans are Direct Consolidation Loans. And then you've made payments on Direct Loans prior to that. Prior to consolidating, they will count if so long as the payments were made toward Direct Loans previous to the consolidation. So that is a finer but important point. If you if you have underlying FFEL loans, you please avail yourself of the PSLF waiver. And again, I I really appreciate we really appreciated this committee's ideas and particularly Heather's guidance on a lot of these issues. We couldn't find a a way to draw the lines as cleanly in terms of employer eligibility to be able to administer the program without having to go on a

borrower by borrower basis. And that is why we've elected this attestation and landed where we are for PSLF. However it is, it is an expansion. It's an expansion in terms of what can be counted in terms of monthly payments. An expansion to be ensure that we include contractual employees. It's changing the full time employment definition to ensure that it's more encompassing of the work that public service employees actually do. So we we certainly view it as an expansion and improvement of the existing regulatory language.

MR. ROBERTS: Justin, go ahead.

MR. HAUSCHILD: Thanks, Brady and I'll probably circle back here, but I just want to ask a quick follow up question to a point that that Heather made, and it's something that I was actually curious about, too when it comes to FFEL, because it seems there might very well be a basis for this, it might be a statutory restriction or they're dealt with differently in statute and that somehow constrains the Department. But and my read might be wrong, too. So all those things laid out, I'm curious. It seems like the Department's considering payments made on FFEL loans, previous payments made on those loans before consolidation in the context of the most recent IDR language we have. And I'm wondering, you know, is that is that different here when

we're looking at PSLF or is my read wrong? Maybe I have misinterpreted Heather's point altogether, but that's what came to my mind when you're looking at IDR text today and saw that revision. And then when Heather made the point here, so is there a reason IDR and PSLF are treating FFEL consolidation different?

MR. ROBERTS: Brian, I see your hand, go ahead.

MR. SIEGEL: Yes, the PSLF statute is quite specific that says the borrower must have made 120 monthly payments on the eligible federal Direct Loan after October 1, 2017, 2007. So that's why it's limited to the Direct Loans. The Department did use its waiver authority under the HEROES Act earlier this year to allow a special period in which we will count certain payments made on FFEL loans if borrowers consolidate into Direct Loan. But that's under our waiver authority, under the HEROES Act, and we can't make permanent changes to the program based on it.

MR. HAUSCHILD: Understood, thanks.

MR. ROBERTS: Persis, go ahead.

MS. YU: Yeah, I wanted to talk about the issue of excluding employers that are organized for-profit. This is something that I is not required by the statute as I understand it. And and I think that it

impacts in particular on public service workers who are low income and low income borrowers of color in particular. And so keeping this exclusion that's not required by the statute, I think harms some of the most vulnerable public service workers who are not choosing employers based upon whether or not they are nonprofit or their, you know, their companies, you know, they're just trying to do their work and they're trying to trying to survive. And so and I think this points out especially why it's important to go back to Income Driven Repayment that if you're not going to include these, you know, folks in PSLF, that's why we need to have a more generous cancelation period under Income Driven Repayment because there are lots of people who we know need to get cancelation sooner and should under general public policy. And so I think that they should be included here and also that, you know, this points to why Income Driven Repayment needs to be more generous.

MR. ROBERTS: Thanks, Persis. Daniel.

MR. BARKOWITZ: So I have a technical question, and it may be a correction. Can I ask Jennifer, is it possible for Vanessa to put the document back up and for us to look at page seven? Thank you, Vanessa. So on page seven, you're right, you're perfect, you are right there under section three, the the call-

out is to subsection C2 one to three, but subsection C2 continues through the new bullet X, sorry new Bullet VI, six, which you listed right above this. So I'm wondering why the Department's ignoring four, five, and six so four is under standard repayment that that those periods. Five is deferment forbearance and six would be where your payment comes in at a time where you're not employed necessarily, but you are within the month. So Jennifer, I'm just I'm wondering if that was an oversight or if there's an intention intentionality behind leaving only one through three there.

MS. HONG: So, Daniel, I don't know what we would have done without your eagle eyes throughout this rulemaking, but we do appreciate it. I mean, we have it's very, as you know, condensed time timeframe and we're making changes and we're trying to control the versions. And I think that is an oversight that's not only supposed to apply to, you know, through through five.

MR. BARKOWITZ: That would be bullet six, I would suggest.

MS. HONG: I'm sorry, six. And that might be because if you look at the highlight, those are those are new. And so it just got left off. Thank you. Thank you.

MR. BARKOWITZ: Yeah, thank you.

MR. ROBERTS: Thank you, Vanessa, for capturing that I just want to recognize that Suzanne is at the table on behalf of state regulators. So with that, Bethany, please go ahead.

MS. LILLY: I so I want to go back to a public comment we received very, very, very early on in the negotiation, I think during the first week by a young man who provides services to people with disabilities, and he says he works for a private employer and he can't get counted. This is the case with many folks who work for staffing agencies. This is also the case for folks who work for on a contract basis. I know that the implication for the Department is that this will capture them. I have to share Heather's concerns that I don't think it does. And it certainly doesn't capture folks who work for a staffing agency. And again, this was something I raised repeatedly as something that we really should be including here. So I'm going to raise it again because I think that these are, I mean, by definition, the entire regs the statute look to provide services to people with disabilities. We're trying to capture that population as broadly as we can. I'd love to hear why the Department thinks staffing agencies shouldn't be counting. And again, I really want

to go back to, as we discussed in the second session and the first session, I understand it's an extra burden on the Department, but allowing for employees to self-certify gives much more control over this process to employees rather than to employers. And I think just given many of the challenges that folks may have with getting employers to sign off on these forms, I do think we're going to face a lot of challenges there. And so I think the Department in many ways would be better served to allow employees to certify. But I will pause at this point and see if you have any thoughts on the staffing agency issue.

MR. ROBERTS: Any immediate response from the Department?

MS. HONG: No, I mean, nothing new other than, I mean, yes, we share. We share those concerns going into this, and this was an issue that Brian can attest to that they that the Department explored ad nauseum during when we first rolled out PSLF` and we shared those concerns. You're right, the statute doesn't require that restriction and we try to explore a way that we could administer this program responsibly. And we we landed where we landed with employer attestation rather than the certification by the borrower. That was this is just where we landed and

and it it's. It's I guess it's safe to characterize it as not just an additional burden, but it's just it's not we haven't found a way to implement it in a way if if we were to privilege the employee and we just we're not comfortable with relying on the borrower attestation.

MS. LILLY: Can I ask what makes you comfortable with relying on the employer attestation rather than the borrower? Is there a particular way you guys can verify with employers rather than employees? Because to my mind, it's kind of a crapshoot between both, as Michaela said earlier, you know, you're going to have fraud one way or the other in the system, and I can guarantee you you're going to have bad actor employers who are going to be certifying for folks. I mean, I'm sure Joe is going to start seeing those cases. We certainly see it in I think every sector that I've seen, so I'm I tend to default to wanting to support the borrowers as much as we can, and I think that that will make it a lot easier for them. So if there's a reason to default to one or the other, to my mind, the default should be going always borrower. But that may just be a philosophical difference with the Department.

MS. HONG: And I think you're right, I think that there are, you know, risks and drawbacks and benefits of doing it one way or another. However, I

mean, the employer has to attest to the we know that the employer has to attest to the number of hours anyway and the fact that the individual is employed. So just having that extra verification, two entities, the individual borrower and the employer we feel like is a responsible stewardship of the program, we can't just leave it up to the individual borrower.

MR. ROBERTS: Jeri. Go ahead.

MS. O'BRYAN-LOSEE: Okay, thanks. I just want to go back to the importance of a good IDR for just a second. We've heard from people who are in spousal spousal situations and we've heard from people who would have both qualified for PSLF or one had qualified for PSLF if they were able to get out of that situation of the spousal loan. So I just want to make sure that, you know, either back, add it as a note back on the IDR side of things, but I think that there's a really big missed opportunity to correct to correct that burden. And thank you so much for the change in the adjunct language. I just have to say that for much of my constituency who are teaching one class at five different institutions, there will be appreciation for that, that new language.

MR. ROBERTS: Thanks, Jeri. Marjorie, also Jaye, I see your hand. Is it okay just because

we're running up on that 3:30 mark, we'll just pick up with you tomorrow. So Marjorie, I think you're going to be our last comment before public comment. Well, you're muted right now, Marjorie, sorry.

DR. DORIME-WILLIAMS: Sorry. So just really quickly and again, this is another question about qualifying employers, so we also heard from several folks from Texas and California and knowing that that's not simply an individual issue, right? We're basically eliminating public health professionals from the entire state. Is there is it not possible to include specific language with regard to those two states in this regulatory language? And I'm not an expert in the area, but I think that sort of struck me as a significant issue that needs addressing. And because we put public health right work in here, I think it really would be beneficial to to have some language in there, if you can. But again, I'm not familiar with sort of statute and law around, you know why those two places are different and why they're treated differently by the Department.

MS. HONG: Marjorie, thank you for raising that. That issue has come up frequently. We talked about it in session two, we took that under a lot of consideration. We were you know, we we thought that

was an important issue, that's not something that we're treating those populations separate differently. It's a function of their state and their state law that have that exclusion for those employees. So ultimately, that language is not in the draft before you. We had gone back and forth with it, and ultimately it's it's it's not included here. So. We hope that a statutory remedy will address that issue going forward.

MR. ROBERTS: Okay, so we're just about at 3:30. A few minor announcements just running into tomorrow, so we're going to pick up as we always do at 10:00 a.m. tomorrow. We're going to proceed with this topic and hope to stick to the proposed agenda as much as we can, but noting that there might be a modification to that just due to the outstanding IDR issue paper that we need to return to. And then, of course, the Prison Education Subcommittee will be presenting their work and recommendations to the full committee at 11:00 a.m. tomorrow. So with that, I think we can begin public comment. Just a quick note for those who are going to be joining us for public comment. If you are joining us on the live stream, try to turn that off as you're admitted. Otherwise we do get a bit of a feedback when you're admitted. So just if you're if you're signed up for public comment, just exit out of that live stream.

So we don't get that echo and we can you can get to your comment right away. So with that Kayla or Cindy, I'm sorry, who are we admitting first?

MS. JEFFRIES: We are admitting Samantha Norris. And she is from the return Returned Peace Corps Volunteer.

MR. ROBERTS: Ms. Norris, can you hear us?

MS. NORRIS: Yes. Can you all hear me?

MR. ROBERTS: We can. You have three minutes for public comment, beginning when you start speaking.

MS. NORRIS: Okay. Good afternoon. My name is Samantha Norris, and I am a returned Peace Corps volunteer. In 2011, two years after completing my master's degree in social work, I chose to join the Peace Corps. I had no idea how much that decision would change my life and transform the lens through which I viewed the world. I was sent to the Dominican Republic, where I worked alongside youth and community leaders, learned Spanish, danced bachata, and developed lifelong friendships with the folks in my community. Like so many other Peace Corps volunteers, the research I had done and the advice I had received through my federal loan servicer and the Peace Corps itself led me to believe

that deferment of my student loans was my only option. I figured there was no way I'd be able to make any monthly payments as a volunteer. It was not until after I completed my service, when I was made aware that I could have been counting my months of Peace Corps service towards Public Service Loan Forgiveness had I been enrolled in an income based plan while overseas. I felt angry, deceived and disappointed. Upon finishing my Peace Corps service, I hopped onto a plane to another unfamiliar place New York City, where I've called home for the past eight years. If it wasn't for the Dominican community here, I probably wouldn't have made it. I was immediately welcomed into the home of a family connection from my community in the Dominican Republic, where I stayed until I was able to stand on my own two feet. I started to work as a social worker with New York's immigrant youth and families and continue to do so. My work has been greatly informed by my time in the Dominican Republic. Like the thousands of returned Peace Corps volunteers who dedicate their lives to working with marginalized communities across various sectors, and like so many other nations, so many others across the nation, my student loan debt only continues to grow. I've been enrolled in Public Service Loan Forgiveness since I began work in the nonprofit sector. It was

incredibly disappointing to learn that among the many positive changes that the waiver program would be implementing, recognition of Peace Corps service was not one of them. The reality is that most Peace Corps volunteers since 2007 were never properly counseled on their Public Service Loan Forgiveness options prior to their service. In fact, many like myself were misled to believe that loan deferment was their only option. I ask that the Department of Education provide returned Peace Corps volunteers with immediate retroactive relief. This would include returned volunteers in the temporary waiver period and credit all volunteers with qualifying months of Public Service Loan Forgiveness for any months of service in which federal student loans were placed into deferment or forbearance status like that provided to active military members with deferred loans. Thank you for your time.

MR. ROBERTS: Thank you, Ms. Norris, for your comment.

MS. JEFFRIES: Okay. Brady next, we have Heather Martin again from the Returned Peace Corps volunteer.

MR. ROBERTS: Good afternoon, Ms. Martin, can you hear us?

MS. HEATHER MARTIN: Hi, yes, can you

hear me?

MR. ROBERTS: We can hear you just fine. You have three minutes for public comment, beginning whenever you begin speaking.

MS. HEATHER MARTIN: Thank you. I haven't been involved in the rest of the meeting, but I just wanted to share my personal experience with the Public Student Loan Forgiveness Program and my Peace Corps service. So I served in Peace Corps 2010 to 2012, and since 2013 I've made payments to my federal Direct, subsidized and unsubsidized loans in the amounts of \$430 to \$693 each month, not including my public, my private loans as well. So since 2013, despite paying nearly \$40,000 into my federal loans, my loan balance has increased nearly \$20,000. So I'm really frustrated with the high interest rates that are allowed on on federal subsidized and unsubsidized loans. And it's just been impossible to pay them off and catch up with it. I'm also frustrated that my Peace Corps service was not included in the Public Student Loan Forgiveness program. When I served I think I did know about the program and it very much influenced my decision to go into Peace Corps and then get a position in Federal Service as well. But during service, I knew there was no way that I can make a payment. I was making around \$250 a month

that went completely toward my expenses in the country. At the time, I talked with Peace Corps staff, and all of the guidance that they gave us was to defer the loans. So I had no idea that there is an option to pay zero dollars at all at the time, even when I came back, I didn't find out until later, despite research and speaking with the Peace Corps at the time. Then when I started full time with the federal government in 2013, I was able to buy back my Peace Corps service towards retirement, but wasn't able to do anything with the Public Student Loan Forgiveness program. I did reach out to the program. I reached out to my loan servicers and there was really nothing I can do and I didn't even know. I know that changed the rules for previous consolidation. Like for about two or three years, I was making payments on

MR.ROBERTS: thirty seconds.

MS. HEATHER MARTIN: a a loan that was not part of the program. So, yeah, I'm just sharing my experience. And even though I make a really good salary, it's a struggle to make ends meet because of all of these loan payments. And if my Peace Corps service were counted into the Public Student Loan Forgiveness program while I was on deferment, I would be eligible for forgiveness right now, so it would make a huge impact

for so many people including myself, who who currently serve our country and have served in Peace Corps. Thank you.

MR. ROBERTS: Thank you for your comment.

MS. JEFFRIES: Okay, Brady. Next, I am admitting Megan Gokey representing themselves.

MR. ROBERTS: Ms. Gokey. Can you hear us? Not sure if they're connected, but do you want to admit the-

MS. JEFFRIES: Yes, she's joining, so there she is.

MR. ROBERTS: Hi, Ms. Gokey, can you hear us? Oh, you're muted right now. There you go.

MS. GOKEY: Can you hear me? Thank you very much.

MR. ROBERTS: You have three minutes for public comment.

MS. GOKEY: Thank you. I'll try to make this brief. My name is Megan Gokey. I served as a Peace Corps volunteer in Guatemala from 2010 to 2012. I lived in an indigenous village in the mountains, which was a six hour bus ride from the in-country Peace Corps office. Starting my service in 2010, I had less than \$30,000 in educational debt. Starting my service, I knew

that if I served, it would count as two years of service towards the ultimate goal of loan forgiveness after 10 years. Peace Corps advised us volunteers to defer payments. Peace Corps went so far as to include in our Guatemala welcome book that we obtain and submit loan deferment paperwork before our arrival in the country. I trusted that advice. I trusted that the same government I was serving would be the same government that ultimately forgave my loans. Because I trusted the government's advice, my two years in Peace Corps does not count towards any time of the 10 year loan forgiveness. The Public Service Loan Forgiveness announced in October of this year that military members could count their service into their calculation of their 10 years, regardless of whether their loans were deferred or not. I wholeheartedly support that waiver. Women and men of the armed services support a necessary and strenuous service, and so do Peace Corps volunteers. During my service alone, I helped educate indigenous Guatemalans on important topics like water purification. I personally, with no help from the government, raised \$10,000 in order to build 64 infrastructure projects in the villages I worked where there were none. Beyond what Peace Corps volunteers provide as a service to our host countries, we provide a public service to the United

States. We are invaluable diplomatic arm for the U.S. We foster relationships in areas of the world that the United States would never reach without us. We come back to the U.S. sharing culture of our host countries. We literally promote world peace. I acted diplomatically. I worked hard. I followed the rules. I did what Peace Corps told me to do. Yet here I am, begging, not to be compensated, but begging that my two years I volunteered for our country counts towards my loan forgiveness. Following the same advice from Peace Corps continuing into my career, I worked for two years at the Neighborhood Defender Service of Harlem as a caseworker before going to law school to become a public defender. Knowing my loans would be high and knowing my passion to do public service work does not pay accordingly, I worked three part time jobs during law school. I Worked for six years in public interest, but because of the faulty advice from Peace Corps itself, I only have two years counted towards my forgiveness. I live in a large city in New York as a public defender, make \$65,000 a year and have over a quarter million dollars in debt. I'm asking that my public service be counted as such. Thank you very much.

MR. ROBERTS: Thank you so much for your comment.

MS. JEFFRIES: Okay, Brady, next, we are admitting Jesus Abarca, I believe, who is a veteran.

MR. ROBERTS: Mr. Abarca, can you hear us? You're muted right now, by the way.

MS. ABARCA: Yeah, I can hear you. I'm sorry.

MR. ROBERTS: Great. No, it's no problem. You have three minutes for public comment when you start speaking.

MS. ABARCA: Okay. Good afternoon, everybody. I'm Jesus Abarca. I am a veteran currently trying to attend Lincoln Tech in New Jersey Mahwah. My classmate and myself, we've both been enrolled under a false pretense that the school accepts the GI Bill under that program. When we first signed up, obviously, you know, the main question we all ask is, do they accept the GI Bill? Because for obvious reasons that's our financial support for school. So the school was quick to enroll us. They heard veteran and they were very ready to start paperwork with us. They took our DD214 and they had told us that they did not need our certificate of eligibility because they called the VA and said that we were good, that they just called to find out how many days we have left or months we have remaining on our GI Bill, see if we were eligible for the program. And that

was it. That's that's all they needed. They didn't need the actual certificate of eligibility. So moving forward from there, you know, prior to school, usually the VA gives us a stipend for books. It's usually between \$100 or \$500. The school told us to not worry about that, that we would receive that when classes start. So that alone was like two major red flags for me. And then just it just keeps going and piling on. Come a whole month into school, we still haven't started receiving our benefits. We received no BAH, no word from the VA. Nothing. And the school told us that it was delayed, that they're being audited, to just patiently wait. So they ended up cutting us a stipend check around like two and a half months just to kind of keep us afloat from me telling them how much I've been financially struggling. And it just kept it went on and on and ended up leading up to five months, currently where we're at now five six months, but after that we had they had brought us in to write out a loan to basically because at this point I was very behind on my bills. I was behind on everything. I was wasting a lot of money, just trying to get to the school. And it was money I couldn't. I'm sorry, what was that?

MR. ROBERTS: You have 30 seconds remaining, I'm sorry.

MS. ABARCA: Oh, sorry. Yeah. So the school made us take out a loan. I only saw four thousand seven hundred dollars of that loan, but obviously surprise surprise, they had taken out a subsidized loan of \$3,500 and a \$6,000 loan in unsubsidized loans. So the total was \$9,500 that I didn't even know of. I only saw \$4,701. You know, and-

MR. ROBERTS: That's that's three minutes, I'm sorry.

MS. ABARCA: That's okay.

MR. ROBERTS: Thank you for your comment.

MS. JEFFRIES: Brady, next we have Isaiah Seabourne representing themselves.

MR. ROBERTS: Isaiah, can you hear us? Hi, Mr. Seabourne, you just have to come off of mute and then you have three minutes for public comment. Are you able to hear us? You have to come off mute and then you have three minutes.

MR. SEABORN: Yes, hello.

MR. ROBERTS: Great. Go right ahead with your public comment.

MR. SEABORN: Hello, my name is Isaiah Seaborn (inaudible) assess my dreams against me by the Art Institute of Colorado to ruin future dreams. In 2005,

I pursued a degree at the Art Institute of Colorado to make video games. I was targeted after researching on Google. I was targeted by the Art Institute of Colorado to come and check out how I could create video games easily. My parents and I visited the Art Institute in hopes of finding out if my talents could pursue a bachelor's degree of media, media, arts and. I was told, hey, you can do this, the degree itself would be \$80,000. And both my parents and I specifically ask questions of the recruiter. You know, since I didn't have an art background, could I be successful in this degree? And they promised me, oh yeah, you'll do great. You need to go ahead and get locked in. Hurry up and sign in now. So tuition doesn't go up and get locked in, and we'll talk about getting you an internship early. This is just merely a ploy that the Art Institute used to inflate their numbers. \$40,000 in to the degree I was pulled out of a class and told directly that I would never, ever work in the video game industry. So I had two options quit and spend the \$40,000 that I had already, you know, had and waste that. And I could not transfer my credits because the Art Institute had now become nontransferable. They're accredited (inaudible) or I could fall back into something else, such as video production. I did that and now I'm over \$200,000 in

student loan debt. Two days before I graduated, I got so sick from trying to pass these classes, I passed out and they wanted to fail me because I was not able to attend a class. After appealing, they told me that I was not not worthy of graduating from the Art Institute and that I should enjoy my bill. Later, after appealing and appealing, I was able to resubmit the same work and finally graduate. But again, \$200,000 and I've not been able to purchase a home. I have two children and my wife. Our credit is ruined and my life has all been ruined, basically because I went to the Art Institute of Colorado. I share this story with you all because student loans and the way that I was tricked into believing that I was going to get a good job. I. It's ruined my life. It really has ruined my life. And really changed the destination for my kids.

MR. ROBERTS: Thank you for your comment.

MS. JEFFRIES: Brady, I am admitting Carol Hix to the meeting.

MR. ROBERTS: Ms. Hix, are you able to hear us?

MS. JEFFRIES: Oops, I went to. Never mind. Carissa Massengill, while I try to get Carolyn connected.

MR. ROBERTS: I apologize, Carissa, if you want to come up with me, you have three minutes for public comment.

MS. MASSENGILL: Okay, thank you everybody for this time. My name is Carissa Massengill, and I do apologize ahead of time. I attended Brooks Institute of Photography back from 2004 to 2007. I attended that school because I had a passion for photography. I was encouraged. In hindsight, it turns out it was more of they just wanted to get enrollment and they wanted to get numbers. Again, apologies. Without getting into too much detail because I'm still kind of working through everything, I've been paying off these loans since 2000, even before then. I don't see any end in sight. I just finished my my personal loan or not personal loan. But it was my unsubsidized loan in October of last year. We still have the Parent Plus Loan that is my mom's, which we celebrated that we had it under a thousand, a hundred thousand dollars before my son was born last year. We put off a lot of life events because of stuff like that. At one point we just decided, you know what? We need to live our lives. Since we've had the loans are under federal forbearance, it has relieved so much stress off of me I've had. I never had the chance to, like, go to a therapist or talk to

anybody about anxiety, but it's something that I've lived with and just kind of coped with because I have these these loans. For a long time, I worked three jobs. I made sure that I never missed a loan. I did what I had to do to make payments, not just on mine, but on my my Parent Plus Loan for my mom. That's something that I've worked hard for, and it wasn't until we actually had the forbearance that I had a chance to breathe. And that sigh, like that little breath that I've had and still have right now has given me the chance to actually focus on what's important in life, which is my son who we finally had last year during the pandemic of all times. So we've had a lot of life events, a lot of positive stuff. But what I'm getting at is that a lot of us still have these loans that just do not go away. It infringes on our lives. It causes stress and it causes anxiety. And I'm one person that cannot control my emotions. Unfortunately, when it comes to this because it has been a part of my life for so long and I don't see it ever going away. I really, really hope that anybody that was a part of the Brooks Institute, the Sweet vs. Cardona, previously Sweet vs. DeVos, does get their student loans forgiven because we ended up with a degree that has served us for no reason. We've all are in debt for for a degree that has zero purpose and we still have to pay

this back is what I'm thinking very pessimistically because that's the only way to go. There is no positivity out of this tunnel, although I really hope that I'm wrong because I don't want this to be a part of my life for the rest of my life. And I'm sorry. That's it. Thank you for your time and thank you for everybody who served.

MR. ROBERTS: Thank you for your comment. We appreciate it.

MS. JEFFRIES: Okay, Brady, I am now admitting Carolyn Hix, and they are. She's a veteran.

MR. ROBERTS: Good afternoon, Ms. Hix, can you hear us?

MS. JEFFRIES: It says she's still joining.

MS. MARTIN: While she's joining can I make just a quick comment just because I just want to recognize how much emotional labor goes into all of the folks that testify. And I know sometimes because it's on a three minute timeline, which is like blustery then, but I think someone just needed to acknowledge and really give that. Thank you.

MS. JEFFRIES: Alright. Thank you, Michaela. While she tries to join, we are going to move on to Adrian Figueroa representing themselves.

MR. ROBERTS: So if it's okay, Mr. Figueroa, I see you're in the meeting, but you'll just be right after Ms. Hix. So Ms. Hix, if you can hear me.

MS. JEFFRIES: I'm not showing that she has any audio.

MR. ROBERTS: Okay, so here, why don't we do this? So, Adrian, if you're ready to go, you have three minutes for public comment while we work on Ms. Hix's audio.

MR. FIGUEROA: Okay, thank you. My name is Adrian Figueroa and I applied to the Borrower Defense in August on August 12, 2016 at 11:30 a.m. because I'm approximately \$25,000 in debt with school loans that were accrued while attending Le Cordon Bleu Institution. It's in my opinion that at the time I enrolled at Le Cordon Bleu, I was coerced in you know, excuse me, I was coerced in this predicament with a promise of becoming a chef, which in reality I have been unable to obtain a position as a chef upon graduation, each class is only six weeks long, and that really doesn't give you any time to retain any type of information at all. Excuse me. Any student could just pass simply by showing up and, you know. I was promised a chef's average of \$50,000 to \$80,000 as soon as I graduated, and that was false information because the

only job I was ever able to obtain was a line cook or a prep cook, which beginning salary was at the time, I believe, \$9 an hour. And anybody who walked off the street can get that type of job. So was it was unfair that anybody who walked off the street can get that type of job, but at the same time, I have a certificate. I graduated because of the unfair practices by Le Cordon Bleu, which which they admitted to in a class action lawsuit against career education. Basically, they had to pay back all the students. I would have never involved otherwise or committed to the program, and that if I'm unable to repay or get this discharged, you know, in 2015 Le Cordon Bleu announced it was closing all 16 of its culinary schools across the country and would no longer enroll any new students. I strongly believe that we see in Le Cordon Bleu by closing all of the schools confirmed the deceptive practices that were in play at the time of, at the time I enrolled in the school. Because of these loans, I had been denied employment opportunities at several banks, including Metro Credit Union, where I was the number one candidate for a brand new position they created. And due to not being able to pay my loans, I can consistently because I was trying to survive, they denied me the position at that job. This has impacted my credit. This is I've been denied for

renting apartments. I've been denied several things because of this loan. I heard somebody say something, I'm not sure.

MR. ROBERTS: I was just letting you, you have about 20 seconds left for your public comment.

MR. FIGUEROA: Oh, okay. You know, that's an impacting my credit. I've been denied several things, even even furniture. When I did decide to get it, when I was able to get an apartment, I've been denied furniture, so I've been left to sleep on floors with blankets. So, you know, I really appreciate you guys taking the time to listen to my story today.

MR. ROBERTS: Thank you, we appreciate your public comment.

MR. FIGUEROA: Thank you.

MS. JEFFRIES: Okay. Brady, I show that Carolyn is there and she's unmuted herself. I think she's ready to go, but she is off camera.

MR. ROBERTS: Great Ms. Hix, you have three minutes for public comment. Still not getting anything, if we want to admit the next speaker.

MS. JEFFRIES: I'm going to go ahead and admit Cynthia Johnson, representing themselves.

MR. ROBERTS: Ms. Johnson, are you able to hear us? Do you want to try with the next one,

Cindy?

MS. JEFFRIES: Yeah, I'm going to go ahead and admit Alicia Col, Colbot and we have confirmed that she has logged in under Bret. So that what her the name will show, and they are representing themselves.

MR. ROBERTS: Good afternoon, can you hear us? Hi, can you hear us?

MS. COLBOT: Yes.

MR. ROBERTS: Great, you have three minutes for public comment.

MS. COLBOT: Okay. It's a little past. It's two minutes past my start time. Is that still okay? I still get. Okay, thank you. Hi, everyone. My name is Alicia Pardate Colbot. I'm a student debtor seeking forgiveness, student loan forgiveness. I graduated with a BA from Brooks Institute of Photography in September of 2007. Myself and over nine hundred former students have been victimized by this school's misconduct, deceitful recruiting tactics and fraudulent practices. I was a young, naive student who entrusted that the school would look out for my best interest. They vastly inflated the amount of loans they said I needed to borrow to cover school and living costs. They falsely promised me a high paying job upon completion, state of the art, vocational training, and a fulfilling career.

In actuality, upon completion, I was left with over three times the amount of debt they claimed I would accumulate, totaling over \$300,000 dollars. The reality is my life has been worse than before I attended Brooks. I would never have attended if I was aware of such appalling effects on my life. My student debt was so great. The financial difficulty was a primary reason for my divorce in 2017. Between my husband, who was also a Brooks graduate and myself, over 70 percent of our monthly income went to student loan payments. When times were really tough, I had to put my loans on deferment. After paying down my loans on time for over seven years, they exceeded the initial amount that I borrowed due to forbearance and deferment. My income as a professional photographer averaged \$30,000, putting me below poverty level. I sometimes balance three jobs as a single mother because I couldn't make it just as a photographer. I have submitted a Borrower Defense to Repayment application after 14 years of hardships due to high student debt. I am hoping to get my life back through student loan forgiveness.

MR. ROBERTS: Thank you very much for your comment.

MS. COLBOT: Thank you for hearing me out. Okay. Are you wanting me to just log out

immediately or?

MR. ROBERTS: Sure, sure. Thank you.

MS. JEFFRIES: Alright. Is Carolyn dialing in? Let me try her one more time.

MR. ROBERTS: I don't see her in the meeting.

MS. JEFFRIES: I just readmitted her. We're still having difficulty, I'm going to go ahead and admit the last person who has logged in and that is Kaitlin Jackson Role, criminal defense practice at Bronx Defenders.

MR. ROBERTS: Good afternoon. Can you hear us? If want to turn off the live stream so you don't get that feedback, but otherwise you have three minutes for our final comment of the day.

MS. JACKSON: Yes, thank you, I'm muting the live stream right now. I'm currently a supervising attorney at Bronx Defenders. I'm a public defender. I've been doing that for about 11 years. I am hoping to encourage the committee to consider allowing borrowers like myself to either pay retroactively for periods of either administrative or hardship forbearance and alternatively to cut to allow borrowers like myself to receive credit for forbearances when our payments would have been either zero or close to zero. My loans

are incredibly high as our nearly every attorney I know who went into public interest. Unfortunately, there is no if what you want to do is work defending people who are very low income, who the government has charged with crimes like I do, there's no way to do that without a law degree. I went to state schools and my loans at this point are still close to \$300,000. They are so much more than what I borrowed and when I was early in my career and making less money a year than what my one year of law school cost, I was put into a hardship deferment when my loans would have been zero dollars a month. There is no reason that anyone would make that choice. But for being misled, nobody would choose to go into forbearance when the payments would have been zero dollars. But my servicer misled me and I spent 12 months making, you know, 12 months doing incredibly hard work for very little money in a very expensive place. And I won't get credit for any of that when I wouldn't have had to pay a dime. I just was misled. Additionally. I've had other periods, I've worked at a couple of different public defenders, and every time I've changed, every time I have shifted jobs, it would take three, four months of administrative forbearance for my loans to be shifted. And each time I was told, if you don't take this forbearance, then you have to pay the full amount

that's not income adjusted. At one point, I believe that was a little over two hundred thousand to two thousand a month, which was essentially my entire monthly. So basically, I very much hope that the committee will consider changing those rules, it's critical that people are able to go into immigration law, housing law, public defense, areas of law that require very, very high loans but pay very, very little. And I hope you'll consider letting us have some of those months back.

MR. ROBERTS: Thank you for your public comment and thank you to all of the public commenters, we really, really do appreciate everyone taking the time to share their story with the committee. We are a few minutes over, but we will pick up at 10 a.m. tomorrow and thank you so much for all your hard work today.

Appendix

**Department of Education
Office of Postsecondary Education
Zoom Chat Transcript
Affordability and Student Loans Committee
Session 3, Day 2, Afternoon, December 7, 2021**

DISCLAIMER:

Note: The following is the output of transcribing from a recording. Although the transcription is largely accurate; in some cases, it is incomplete or inaccurate due to inaudible passages or transcription errors. It is posted as an aid to understanding the proceedings at the meeting, but should not be treated as an authoritative record.

From Marjorie (P), 4 Yr Public Insts. (she/her) to Everyone:

Hello all, here is redlined and proposed language that some of us have previously worked on.

From Bethany Lilly (P), Disability (she/hers) to Everyone:

+1 to Joe

From Persis (P) - Legal Aid (she/her) to Everyone:

+1 w/ Joe

From David (P) - State hi ed agencies to Everyone:

+1

From Noelia (A), Minority Serving Inst. to Everyone:

I agree

From Misty (P) Priv. Non-Profit to Everyone:

+1 to stay on IDR

From Alyssa Dobson to Everyone:

+1

From Jeri (P) Student Borrowers (she her, they) to Everyone:

+1 Joe

From Suzanne Martindale (A) state regulators to Everyone:

+1 joe, real time edits have happened in past neg-regs

From Bethany Lilly (P), Disability (she/hers) to Everyone:

I'm happy to work from the Department's proposal--I think we could propose our changes there

From Rajeev Darolia - Advisor Econ & Data to Everyone:

One follow up on an earlier request: I spoke to Judy Scott-Clayton during the break (at David's suggestion) and she said she is not aware of much work on the default rate of black graduate borrowers. She did point us to a little bit of evidence from one of her reports on pp. 5-6: https://www.brookings.edu/wp-content/uploads/2016/10/es_20161020_scott-clayton_evidence_speaks.pdf. Data is a bit old in some cases, so keep that in mind.

From Joe (P) State AGs to Everyone:

Agree that renaming is a good idea - all kidding aside

From Daniel (P) - Fin Aid Admin (he/him) to Everyone:

Agree with renaming. I could support BEAR.

From Michaela Martin to Everyone:

BEAR - Borrowers Earned Income Repayment plan

From Marjorie (P), 4 Yr Public Insts. (she/her) to
Everyone:

Thanks Raj.

From Brady FMCS Facilitator to Everyone:

Sorry been having some connectivity struggles- feel
free to let me know if it happens again

From Daniel (P) - Fin Aid Admin (he/him) to Everyone:

BEST - Borrowers Establishing ...

From Michaela Martin to Everyone:

SLap- Student loan affordability plan

From Persis (P) - Legal Aid (she/her) to Everyone:

Affordable Budget Concious repayment ABC

From Persis (P) - Legal Aid (she/her) to Everyone:

(I can't spell)

From Daniel (P) - Fin Aid Admin (he/him) to Everyone:

Still working on the rest of the acronym...

From Bethany Lilly (P), Disability (she/hers) to
Everyone:

+1 on following PAYE+ICR+IBR

From Marjorie (P), 4 Yr Public Insts. (she/her) to
Everyone:

+1

From Joe (P) State AGs to Everyone:

Family size - paragraph 2, add EICR (BEAR) and remove
it from paragraph 3

From Bethany Lilly (P), Disability (she/hers) to Everyone:

Could you also add to that comment that Marjorie and I registered our support for Persis' proposal?

From Daniel (P) - Fin Aid Admin (he/him) to Everyone:

Vanessa I support that proposal as well.

From Joe (P) State AGs to Everyone:

I support the family size proposal.

From Dixie (P) Dependent Students to Everyone:

+1 On the proposal from me too

From Jeri (P) Student Borrowers (she her, they) to Everyone:

+1 to Persis' comment

From Jennifer - ED negotiator to Everyone:

<https://www.ecfr.gov/current/title-34/subtitle-B/chapter-VI/part-685/subpart-B/section-685.209>

From David (P) - State hi ed agencies to Everyone:

+1 on the family size proposal

From Bethany Lilly (P), Disability (she/hers) to Everyone:

+1 Daniel

From Daniel (P) - Fin Aid Admin (he/him) to Everyone:

Base of 8% addition and then addition of
<https://www.defensetravel.dod.mil/Docs/perdiem/browse/Allowances/COLA/CONUS/Locations/cclocs21.pdf>

From Marjorie (P), 4 Yr Public Insts. (she/her) to Everyone:

Proposed language: (2) The following loans are eligible to be repaid under the ICR and EICR plans: Direct Subsidized Loans, Direct Unsubsidized Loans, Direct PLUS Loans made to graduate or professional students, and all Direct Consolidation Loans (including Direct Consolidation Loans that repaid Direct PLUS Loans or Federal PLUS Loans made to parent borrowers), except for Direct PLUS Consolidation Loans made before July 1, 2006.

From Bethany Lilly (P), Disability (she/hers) to Everyone:

+1 to Daniel

From Jeri (P) Student Borrowers (she her, they) to Everyone:

+1 Daniel

From Justin (P) Servicemembers and Veterans to Everyone:

+1 Daniel

From Christina, she/her (A) 2-Year Public to Everyone:

+1

From Misty (P) Priv. Non-Profit to Everyone:

+1 to grad and PLUS

From Marjorie (P), 4 Yr Public Insts. (she/her) to Everyone:

+1

From Joe (P) State AGs to Everyone:

+1 to Daniel

From David (P) - State hi ed agencies to Everyone:

+1 to Daniel

From Heather-PSLF Advisor to Everyone:

+1 from PSLF Advisor

From Persis (P) - Legal Aid (she/her) to Everyone:

+1

From Bobby (P) - 2 Year Public Colleges to Everyone:

+1 to Daniel

From Marjorie (P), 4 Yr Public Insts. (she/her) to Everyone:

+1 Persis

From Joe (P) State AGs to Everyone:

+1 on striking paragraph d2

From Misty (P) Priv. Non-Profit to Everyone:

+1 Persis removal of 2

From Dixie (P) Dependent Students to Everyone:

Having WiFi connectivity issues so I will have my camera off.

From Heather-PSLF Advisor to Everyone:

That's statutory

From Joe (P) State AGs to Everyone:

add EICR to paragraph 3

From Joe (P) State AGs to Everyone:

iii

From Daniel (P) - Fin Aid Admin (he/him) to Everyone:

+1 to Persis on this

From Bethany Lilly (P), Disability (she/hers) to

Everyone:

+ 1 to Persis on this

From Marjorie (P), 4 Yr Public Insts. (she/her) to
Everyone:

+1 Persis

From Jeri (P) Student Borrowers (she her, they) to
Everyone:

+1

From Joe (P) State AGs to Everyone:

+1 conforming marriage changes

From Justin (P) Servicemembers and Veterans to Everyone:

+1 to Persis on this and to the corresponding
provisions to conform

From Persis (P) - Legal Aid (she/her) to Everyone:

+1

From Marjorie (P), 4 Yr Public Insts. (she/her) to
Everyone:

+1 Bethany 300% & 400%

From Misty (P) Priv. Non-Profit to Everyone:

+1

From Jeri (P) Student Borrowers (she her, they) to
Everyone:

+1 300% & 400\$

From Joe (P) State AGs to Everyone:

+1 on raising 200%/300% structure on page 5

From Justin (P) Servicemembers and Veterans to Everyone:

+1

From Dixie (P) Dependent Students to Everyone:

+1

From Bethany Lilly (P), Disability (she/hers) to Everyone:

+ 1 to Daniel's proposal to cover interest assessed

From Persis (P) - Legal Aid (she/her) to Everyone:

+1

From Joe (P) State AGs to Everyone:

+1 on Daniel's changes to interest section

From Jeri (P) Student Borrowers (she her, they) to Everyone:

+1 Daniel

From Suzanne Martindale (A) state regulators to Everyone:

+1, hugely important

From David (P) - State hi ed agencies to Everyone:

+1

From Misty (P) Priv. Non-Profit to Everyone:

+1 Daniel

From Michaela Martin to Everyone:

=1

From Jeri (P) Student Borrowers (she her, they) to Everyone:

+1 Persis

From Dixie (P) Dependent Students to Everyone:

+1 Persis

From Bethany Lilly (P), Disability (she/hers) to Everyone:

+1 on Persis

From David (P) - State hi ed agencies to Everyone:

+1

From Misty (P) Priv. Non-Profit to Everyone:

+1

From Persis (P) - Legal Aid (she/her) to Everyone:

I propose having a multiplier so that each month that a borrower makes a payment counts as a multiple number of qualifying payments. The multiplier would be based upon the borrower's AGI relative to the FPL and could be recalculated each year. (A spreadsheet w/ multiplier calculations will be send via email)

From David (P) - State hi ed agencies to Everyone:

+1 10 years

From Bethany Lilly (P), Disability (she/hers) to Everyone:

+1 on 10 years

From Dixie (P) Dependent Students to Everyone:

+1 on 10 years

From Misty (P) Priv. Non-Profit to Everyone:

+1 on 10 years

From Daniel (P) - Fin Aid Admin (he/him) to Everyone:

+1 to 10 year as well. We need to allow our limited income and low income borrowers the same benefit we allow to our PSLF borrowers.

From Marjorie (P), 4 Yr Public Insts. (she/her) to Everyone:

+1 on 10 years

From Jeri (P) Student Borrowers (she her, they) to Everyone:

+1

From Bethany Lilly (P), Disability (she/hers) to Everyone:

100% agree with Daniel

From David (P) - State hi ed agencies to Everyone:

+1 Daniel

From Justin (P) Servicemembers and Veterans to Everyone:

This is late, but i'd like to +1 Daniel's proposed changes to the interest section.

From Marjorie (P), 4 Yr Public Insts. (she/her) to Everyone:

+1 Persis

From Daniel (P) - Fin Aid Admin (he/him) to Everyone:

+1 to Large L!

From Bethany Lilly (P), Disability (she/hers) to Everyone:

+1 to Persis

From Joe (P) State AGs to Everyone:

+1 to Persis comment - counting forbearances that occurred prior to Nov 1 2022

From Bethany Lilly (P), Disability (she/hers) to Everyone:

+1 to Persis

From David (P) - State hi ed agencies to Everyone:

+1

From Daniel (P) - Fin Aid Admin (he/him) to Everyone:

Page 8

From Persis (P) - Legal Aid (she/her) to Everyone:

(ii) Any months in which the borrower made a payment while in default, including voluntary payments as well as involuntary payments including those through benefit offsets and wage garnishment, in which the borrower makes a payment equal to or greater than the amount the borrower would have been required to pay during that period on any income-driven repayment plan under this section is also considered to satisfy a monthly repayment obligation for the purposes of forgiveness under paragraph (k). If a payment is collected via an annual tax refund offset that exceeds the amount the borrower would have been required to pay on any income-driven repayment plan under this section for the month in which the offset occurred, the excess amount shall be divided by the relevant monthly payment obligation under the income-driven repayment plan and considered to satisfy that many additional monthly payment obligations for the year to which the tax return applies, not to exceed 12, for the purposes of forgiveness under p

From Persis (P) - Legal Aid (she/her) to Everyone:

paragraph (k).

From Suzanne Martindale (A) state regulators to Everyone:

+1 bethany, hold harmless procedure poses operational challenges

From Justin (P) Servicemembers and Veterans to Everyone:

Emily is taking the table.

From Joe (P) State AGs to Everyone:

if ED won't look all the way back in time to count forbearances, they could at least look back to the first availability of ICR (1995 I think?) or IBR (2009)

From Persis (P) - Legal Aid (she/her) to Everyone:

, or made payments under the Graduated repayment plan, Extended repayment plan, Consolidation Standard repayment plan, or Consolidated Graduated repayment plan,

From Marjorie (P), 4 Yr Public Insts. (she/her) to Everyone:

+1 including other plans

From Bethany Lilly (P), Disability (she/hers) to Everyone:

+1 to Persis on including other plans

From Jeri (P) Student Borrowers (she her, they) to Everyone:

+1 inclusive

From Suzanne Martindale (A) state regulators to Everyone:

+1 joe, the servicers are borrowers' main point of contact to access all of these options

From Bethany Lilly (P), Disability (she/hers) to Everyone:

+1 echoing something!

From Heather-PSLF Advisor to Everyone:

renewal for up to 3 years, and sometimes not limited

From Suzanne Martindale (A) state regulators to
Everyone:

+1 Michaela!!

From Dixie (P) Dependent Students to Everyone:

+1 Michaela

From Persis (P) - Legal Aid (she/her) to Everyone:

+100000000 Michaela

From Bethany Lilly (P), Disability (she/hers) to
Everyone:

+1 to Michaela

From Joe (P) State AGs to Everyone:

+1 Micheala

From Suzanne Martindale (A) state regulators to
Everyone:

public policy should not be based around extreme
outliers

From Rajeev Darolia - Advisor Econ & Data to Everyone:

More generally: moral hazard is a term commonly used
in the social sciences, rooted in economics. It
typically refers to risk taking that is encouraged
because the risk-taking party does not bear the full
consequences of their actions. In social science
contexts, it is not about "morality" in a right/wrong
sense

From Jeri (P) Student Borrowers (she her, they) to
Everyone:

+1 Michaela

From Marjorie (P), 4 Yr Public Insts. (she/her) to Everyone:

+1 Micheala

From David (P) - State hi ed agencies to Everyone:

+1

From Bethany Lilly (P), Disability (she/hers) to Everyone:

Would +1 on that

From Daniel (P) - Fin Aid Admin (he/him) to Everyone:

under 5 - 24 month period if possible

From Bethany Lilly (P), Disability (she/hers) to Everyone:

I think it would dramatically simplify the paperwork burden on people

From Suzanne Martindale (A) state regulators to Everyone:

+1 bethany

From Jeri (P) Student Borrowers (she her, they) to Everyone:

+ Persis

From Bethany Lilly (P), Disability (she/hers) to Everyone:

+1 to Persis

From Michaela Martin to Everyone:

+1

From Joe (P) State AGs to Everyone:

+1 Persis

From David (P) - State hi ed agencies to Everyone:

+1 Persis

From Emily (A) Servicemembers and Veterans to Everyone:

I didn't want to disrupt the topic discussion but did want to quick flag using DoD COLA as any basis for determinations. It should be understood that the methodologies for military COLA include factors specific to military populations (such as access to installation services, on-base housing, etc.) and may not be appropriate here.

From Daniel (P) - Fin Aid Admin (he/him) to Everyone:

Thanks Emily. Do you have a different suggested tool?

From Emily (A) Servicemembers and Veterans to Everyone:

Unfortunately not that I can think of

From Emily (A) Servicemembers and Veterans to Everyone:

After returning from the break, Justin is back at the table

From Dixie (P) Dependent Students to Everyone:

Same!! I have a blanket with hedgehogs on it :D

From Daniel (P) - Fin Aid Admin (he/him) to Everyone:

I know this may be a difficult resource to use, but the College Board calculates regional and MSA variations for Cost of Living when determining student living expense budgets (reference is <https://professionals.collegeboard.org/higher-ed/financial-aid/living-expense/9-month>).

From Heather-PSLF Advisor to Everyone:

In my view, the biggest remaining issues are the definitions of Employee or Employed, Qualifying

Employer, and Public Service.

From Heather-PSLF Advisor to Everyone:

This still excludes 1099 employees.

From Heather-PSLF Advisor to Everyone:

Thank you, ED, for that adjustment.

From Jeri (P) Student Borrowers (she her, they) to Everyone:

Thank you for that!

From Daniel (P) - Fin Aid Admin (he/him) to Everyone:

Who would qualify for 3 but not for 1 or 2? What type of employer would this include? If an employer is not governmental or 501(c)3 and is not for-profit or labor union or political organization, what is left?

From Heather-PSLF Advisor to Everyone:

Sure of course

From Justin (P) Servicemembers and Veterans to Everyone:

non 501c3 VSOs

From Daniel (P) - Fin Aid Admin (he/him) to Everyone:

@Justin helpful. Anyone else?

From Bethany Lilly (P), Disability (she/hers) to Everyone:

Trade associations which are (c)(6)s

From Bethany Lilly (P), Disability (she/hers) to Everyone:

I think there are a set of 501(c) options there--some like (c)(4) are political, so excluded

From Bethany Lilly (P), Disability (she/hers) to

Everyone:

But maybe I'm misremembering?

From Justin (P) Servicemembers and Veterans to Everyone:

+1 Heather on FFEL and PSLF

From Bethany Lilly (P), Disability (she/hers) to Everyone:

+1 Heather on FFEL and PSLF

From Misty (P) Priv. Non-Profit to Everyone:

+1

From Jaye (P) FFEL Agencies to Everyone:

Thank you for that clarification Jennifer. That is how I understood it.

From Heather-PSLF Advisor to Everyone:

But a Direct Consolidation Loan is a Direct Loan

From Heather-PSLF Advisor to Everyone:

You can count payments on FFEL loans towards a Direct CONSolidation loan

From Jeri (P) Student Borrowers (she her, they) to Everyone:

+1 Persis!

From Bethany Lilly (P), Disability (she/hers) to Everyone:

+1 to Persis

From Daniel (P) - Fin Aid Admin (he/him) to Everyone:

+1 Persis

From David (P) - State hi ed agencies to Everyone:

+1

From David (P) - State hi ed agencies to Everyone:

Suzanne is coming to the table

From Michaela Martin to Everyone:

Quick q: It says qualified work and qualified employer (who can apply through form) This requires both or the other?

From Suzanne Martindale (A) state regulators to Everyone:

+1 Bethany - also servicers will have challenges advising borrowers on these eligibility requirements

From Joe (P) State AGs to Everyone:

+1 on borrower certification

From Bethany Lilly (P), Disability (she/hers) to Everyone:

+1 to Jeri re: adjuncts

From Dixie (P) Dependent Students to Everyone:

+1 Jeri on adjuncts

From Jessica Barry, Proprietary (P) to Everyone:

I will sub back in for the public comment.